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NEWS SUMMARY

GENERAL Terror target Fiat sacks 61

Business Equities down 11; Pound gains

Giscard gems row

Tough detention

Seal cull off

Refugees flee

Kurds attack post

Times talks

Portugal backed

Briefly ...

Tories make clear Rhodesia sanctions must be lifted

BY RICHARD EVANS, LOBBY EDITOR

The Prime Minister received a clear message from the Conservative Party conference yesterday that economic sanctions against Zimbabwe-Rhodesia will have to be lifted next month if a split between the Government and the party is to be averted.

Thanks partly to skilful stage management and partly to a well-judged conference speech, Lord Carrington, Foreign Secretary, managed to reject with ease a Right-wing attempt to commit the Government to the immediate withdrawal of sanctions. The conference gave him overwhelming backing to continue the Lancaster House talks to find an agreed settlement on Rhodesian independence leading to fresh elections and the ending of sanctions. Technically, the lapsing of the Order implementing sanctions would not necessarily mean the immediate lifting of the economic boycott as sanctions are operated under separate Parliamentary legislation. In practice, however, many Tory MPs are convinced that once the sanctions order is void, trading would resume and there would be no likelihood of a Conservative Government taking punitive actions under another Act of Parliament. During the debate Lord Carrington outflanked his Right-wing critics by accepting both a motion calling for recognition of a multi-racial government in Zimbabwe-Rhodesia, and an amendment demanding that sanctions should be lifted "as soon as is practically possible." Had a more aggressive amendment calling for the immediate lifting of sanctions been called, as the Right wing demanded, there would have been a much more stormy debate and a more difficult task for Lord Carrington. In the event, the Foreign Secretary, backed by the silent but formidable presence of the Prime Minister, rode the jeers of the hardliners with relative ease. Faced with his reasoned approach on the need for a final push towards an agreed settlement that would end the war, only a handful on the far Right continued their open hostility. Even Mr. Julian Amery, the flagbearer for the Rhodesian lobby, dropped his demand for the immediate lifting of sanctions. The Foreign Secretary appeared to adopt a very tough line towards the transitional arrangements, still to be negotiated. In his view it was neither desirable nor practical for security forces to be integrated before fresh elections, or for other radical changes to be made. Lord Carrington was forced to give some ground on sanctions, however. At one stage he admitted that they were originally instituted against the advice of the Conservative Party in order to persuade the Smith regime to accept majority rule.

Editorial comment, Page 24 • Conference report, Page 12

Government easing curbs to boost private renting

BY ELINOR GOODMAN, LOBBY STAFF

THE GOVERNMENT is to experiment with a relaxation of rent controls in the hope of attracting some big institutions into the shrinking private rented accommodation sector. It will legislate for a new form of private tenancy agreement which would mean that companies qualifying for a licence could rent specially built properties outside the provisions of the Rent Act. The building societies are seen as one sector which might well be interested in building properties for rent if they could be sure of getting a fair return on their investment. The idea, to be contained in the Housing Bill shortly to be laid before Parliament, seems to be to model the tenancy agreement on the provisions of existing commercial tenancies. This would allow landlords to charge the market rent for a property and give tenants only a limited right of renewal once the lease expired. At the end of the fixed term the parties would agree a new rent between themselves, or possibly go to arbitration. The arrangements would not apply to conversions, and the licences could be withdrawn if landlords were found to have abused the system. For the moment, the change is being presented only as an experiment. In the first instance the number of licences issued will be fairly small. The move, recognised as politically very sensitive, was announced in Blackpool yesterday by Mr. Michael Heseltine, the Environment Secretary, in a speech to a very appreciative Conservative Party Conference audience. He confirmed the Government's intention of amending the Rent Act to introduce a new form of shorthold tenancy. Under this agreement, which would not affect sitting tenants, landlords could charge a fair rent for a fixed period and be sure of regaining possession at the end of the tenancy. Mr. Heseltine was careful to stress that the proposed new private tenancy agreements were being introduced only on an experimental basis, and that the Select Committee on the Department of the Environment would be able to monitor its effectiveness.

Treasury report accuses unions

BY DAVID FREUD

THE TREASURY blamed trade union power yesterday for its contribution to the poor profitability of British companies. It is believed to be the first time the Treasury has published such a blunt criticism of the union movement. The move probably reflects opinion in the new Conservative ministerial team at the department. The Treasury Economic Progress Report for October includes details of how profitability in British industry has fallen further and faster than in other countries. There is no simple explanation for the long-term fall in British profitability, the report says. Two of the key reasons pinpointed were trade union power and the increasing size of the public sector. The report states: "Trade union power may have squeezed profits by securing money wages which could not be fully passed on in prices because of international competition, or by restrictive practices and over-employed which reduced productivity." Explanations of the poorer British performance based on cheaper real capital were rejected, leaving public sector growth as the "alternative." This explanation is contained in a piece of analysis uncharacteristically uncharged.

WORLD STOCK MARKETS UNDER PRESSURE

STOCK markets around the world suffered sharp falls yesterday, following the lead of Wall Street. In London equities were weak, and closed at their lowest point of the day. The FT 30-share index fell 10.9 to 472. Gilt-edged stocks fell more than a point in longer maturities. Share prices closed broadly lower in Frankfurt with bank shares particularly weak. French prices registered their largest daily drop for several years. Heavy selling orders caused over 20 quotations in the Paris market to be temporarily suspended. Prices also dropped in Milan, Toronto and Hong Kong. Tokyo was closed for a local holiday. One market to move higher was Sydney, where gold mining issues were firm in line with the bullion price.



Gold up as \$ declines

THE PRICE of gold moved sharply upwards yesterday for the second day running, while in the currency market the dollar continued to show the weakness which set in late on Tuesday. Gold rose \$20 1/2 an ounce in active trading to close at \$412. This run-up in the price began after the morning fixing on Tuesday, when the price was set at \$377. On Tuesday night the price rose in U.S. Gold futures was the maximum permissible, with the result that trading in Hong Kong very early yesterday continued the upward move. Gold opened in London at \$408 an oz and reached \$425 at one stage in the day. Dealers could provide no plausible justification for this surge in the wake of the moves by the U.S. Fed last weekend to curb U.S. inflation and support the dollar. "It just shows the gold currently has a life of its own," one trader said. The IMF gold auction, late yesterday, may have focused investor attention on the metal. In the international money and bond markets the conditions created by the Fed's shift in monetary strategy persisted yesterday. The six-month Eurodollar rate moved still higher to 14 1/2 per cent, and in the international dollar bond markets continued to hit prices hard. The dollar fell yesterday from DM 1.799 to DM 1.779, and from \$2.155 to the pound at \$2.17.

Hectic day on Wall Street

BY STEWART FLEMING IN NEW YORK

THE U.S. STOCK MARKET plunged again yesterday in record trading amid fears over the Federal Reserve Board's new monetary regime. By late afternoon, after some attempts to rally in the morning, the Dow Jones Industrial average was down 16.38 points at \$412.1. A loss of some 55 points in the three days since the Fed announced its attack on inflation. The ticker tape which reports the prices of trades to the market was running 50 minutes late with 1 1/2 hours to go the volume of trading surpassed the previous record for a full day. A certain black humour pervaded the trading rooms of the Wall Street investment houses. The head of equity trading at one of the best-known investment banks said: "My wife and children ask me why I keep my gas mask, battle helmet and war souvenirs. Now they know, I'm wearing them." The uncertainty which has undermined the confidence of investors on shares pervades the money markets too, but there is a much more cautious trading mood prevails. Dealers yesterday morning reported again that apart from the opening of the day there was no scramble for funds. Anxieties on this score are increasing however. The FED again did not intervene in the markets in the hours up to 2.00 p.m. The central bank seems to be treading a delicate path aimed at convincing the foreign exchange markets of its determination to implement its new monetary policy while at the same time trying to avoid demoralisation spreading through domestic financial markets. Again yesterday the Federal funds rate that formerly stable indicator of Fed monetary policy fluctuated wildly opening at around 13 1/2 per cent rising to 14 1/2 per cent and slumping to 10 per cent by early afternoon.

IBM underwriters face problems

BY DAVID LASCELLES IN NEW YORK

UNDERWRITERS of International Business Machines' \$1bn bond and note issue, the largest public offering ever made by an industrial company, stand to make record losses on the unsold portion of the issue as a result of the Federal Reserve's weekend credit package. Yesterday, IBM was forced to deny reports on Wall Street that it was planning to cancel the issue because of the recent sharp drop in fixed income security prices. In a highly unusual development, the computer giant said such suggestions were "absolutely not true," and reaffirmed its intention to complete the deal next Tuesday. Unless there is a sharp turnaround in the market in the next few days, the underwriters are expected to lose at least \$3.5m at yesterday's prices on \$2.17. Reactions Page 5 • Money markets Page 33 • World stock markets Page 34 • Lex Back Page

CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various commodities and their price changes.

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Buying Dewar's is like hooking a salmon when you expected a trout.

Dewar's advertisement featuring a bottle of whisky and the text 'Possibly a touch more expensive, always unquestionably smoother.'

EUROPEAN NEWS

Hamburg opens coal converter

HAMBURG—Gasification is the only economically viable way at present of converting coal to a fluid fuel, Mr. Wilhelm von Isemann, the chairman of Shell AG managing board said yesterday.

Speaking at the opening of a demonstration gasification plant here, he said coal liquefaction was still technically risky and not economically defensible.

The test plant here, using the Shell-Koppers process, will be followed up with a larger plant capable of processing 1,000 tonnes of coal daily and due for completion in 1983-84.

Not economic

Mr. Von Isemann said that a 1,000 tonne plant will still not be economic and that plants capable of processing 2,000 to 2,500 tonnes daily were needed to make the process commercially viable under prevailing conditions. Such plants could be ready for operation by the beginning of the 1990s, he added.

He forecast that coal gasification will only be capable of displacing heavy grade heating oil for industry and power generating in the late 1980s. From 1990 it could reduce West German crude oil and refined product imports by around 15 per cent, Reuter.

LITTLE KNOWN SOVIET BUREAUCRAT IS STRONG LEADERSHIP CONTENDER
The rise and rise of Mr. Chernenko

BY DAVID SATTER IN MOSCOW

IN LESS than a year, Mr. Konstantin Chernenko, an administrator with a background in propaganda work, has emerged as a key member of the Soviet Politburo and a strong contender to succeed Mr. Leonid Brezhnev, as President. Yet of all the top echelon of Russian officials, he is one of the least known.

Mr. Chernenko, 67, is head of the General Department of the Communist Party Central Committee, a post he has held for a number of years. In this capacity, he is in charge of organising the actual work of the Party's top policy-making body.

His role, however, has apparently been more important than any description of his bureaucratic duties would have suggested. He emerged quickly as Mr. Brezhnev's principal travelling companion, a leading spokesman and the recipient of honours including East Germany's highest award, the order of Karl Marx, which was awarded to him last weekend. Some observers believe he has now eclipsed Mr. Andrei Kirilenko, another member of the Politburo, as the man most likely to succeed Mr. Brezhnev.

Mr. Chernenko's rise to prominence is an apt illustration of the importance of bureaucratic placement in the Soviet political hierarchy and the total exclusion of the general population from the leadership



Mr. Chernenko... close aide to Brezhnev

selection process. He has in fact been associated with the Soviet leader for 20 years but he has no other known claim to distinction. He speaks poorly and has no known area of expertise or particular point of view. He does, however, belong to the group sometimes referred to as the "inner circle" or the "Dnepropetrovsk Mafia." Besides Mr. Chernenko, they include Mr. Kirilenko, Mr.

Vladimir Scherbitsky, the Ukrainian party leader, and Mr. Nikolai Tikhonov, a first deputy prime minister.

If Mr. Chernenko moves past Mr. Kirilenko as the heir apparent, it will probably be with the support of the other members of this group whose common interest in supporting each other against the rest of the Politburo is one of the few tendencies in that incommunicative ruling body that can be plausibly hypothesised.

Mr. Chernenko's emergence was unexpected. He was made a full Politburo member last November, only two and a half years later, thereby becoming one of only four men holding membership in both the Politburo and the Secretariat.

The theory has gained credence that he owed his sudden prominence to Mr. Brezhnev's falling health. Perhaps as Mr. Brezhnev found it progressively more difficult to work, he needed the help of a veteran administrative aide associated with him for more than 20 years to handle all but the most pressing matters in his name.

His behaviour with Mr. Brezhnev at the Vienna Summit in June made this seem a likely explanation but during two days of talks, he made virtually no contribution of his own, and was treated as a clear subordinate, by Mr. Brezhnev.

At a dinner at the residence of the U.S. ambassador, he sat without saying a single word.

Events since then, however, tend to show that Mr. Chernenko is seen by his Politburo colleagues and meant to be regarded by others as an important figure in his own right. He gave a major speech on Sino-Soviet relations in August in Frunze near the Chinese border which was the most authoritative statement of the Soviet position in the run-up to the Sino-Soviet talks, and attended Mr. Brezhnev's meetings with East European leaders this summer in the Crimea.

Mr. Kirilenko still deputises for Mr. Brezhnev on party matters and he has overall responsibility in the party for the economy. Therefore he must still be regarded as the most likely immediate replacement for Mr. Brezhnev.

The demotion in April from the secretariat of Mr. Yakov Ryakov, believed to be a protégé of Mr. Kirilenko, and the unexplained doctoring of a May Day photograph of the Soviet leadership to eliminate the figure of Mr. Kirilenko, have given rise to some speculation that Mr. Kirilenko's position may have weakened.

It is impossible to know this for sure, but what is beyond doubt is that Mr. Chernenko's position has never been stronger.

Rotterdam refuses tug pay-off

By Our Amsterdam Correspondent

ROTTERDAM'S MAYOR, Mr. Andre van der Louw, has rejected a proposal that the city council pay about £400,000 to buy off more than 500 tugmen who have been on unofficial strike for six weeks.

The harbour's Port and Pilot Service had proposed that the city, or commercial harbour operators with an interest in the resumption of tug services, should make a one-off payment to the strikers to get them back to work.

The exact amount suggested has not been disclosed, but the strikers have said they want more than £400 each after tax.

Mr. van der Louw said he had discussed the suggestion with city officials, but felt it was not for the city to make this financial gesture when the employers, Smit International, had refused.

The city council faced a dilemma, he said. It could reject the solution offered and accept the huge losses involved in a continuation of the strike, or it could pay up and risk setting "a serious precedent for future social conflicts."

The Port and Pilot Service is now seeking other sources for the "ransom."

Strauss and the unions find common ground

BY ROGER BOYES IN BONN

THE OPPOSITION'S contender for West German Chancellor, Herr Franz Josef Strauss, appears to have reached a broad measure of agreement with Herr Heinz-Oskar Vetter, leader of the trade union federation DGB during talks in Munich.

The two men have been at odds since Herr Strauss, leader of the Bavarian-based Christian Social Union (CSU), was chosen to be the official rival to Chancellor Helmut Schmidt in next year's elections. Christian Social leaders have spoken of Communist infiltration of the unions and have called for a "pluralistic" union organisation, which the DGB sees as a direct challenge to its own role as an umbrella organisation for the union movement.

In a meeting on Tuesday, however, Herr Strauss reassured Herr Vetter that his party was not trying to split the trade unions and that it was planning to establish a separate union organisation for Christian Social Union supporters.

Herr Vetter, for his part, promised that the DGB would retain its political independence and that any criticism of Herr Strauss would take a more "balanced" form. The union leader's pledge represents an important concession to Herr Strauss who, in his first electioneering appearance at local elections in North Rhine-Westphalia—since becoming candidate for Chancellor, was shouted down by thousands of demonstrators. Many of these were clearly drawn from local union organisations.

The protests must have provoked fears in the ranks of the Christian Democrats (CDU), the Christian Social Union's sister party, that Herr Strauss could cost them union votes. According to the Cologne-based Institute for the German Economy, 28.4 per cent of all union members voted for the CDU-CSU at the last general election compared with 57.8 per cent for the Social Democratic party.

Portugal's payments balance in surplus

BY JIMMY BURNS IN LISBON

AN improvement in Portugal's current account and the country's continuing availability of funds in the Euro-markets has meant a surplus of \$220m in the balance of payments during the first half of the year.

The encouraging improvement in the balance of payments position was confirmed yesterday by the Bank of Portugal's half-year report.

The overall trade deficit during the period dropped by 8.8 per cent to \$1.2bn, thanks to a tight domestic credit policy and the sliding value of the escudo. Imports increased by 15.4 per cent to \$2.6bn while exports soared by 43.3 per cent to \$1.6bn.

Footwear, metal products, and textiles exports increased in volume by 64 per cent, 50 per cent, and 30 per cent respectively. The deficit was offset by a substantial growth in invisible earnings. Tourist revenue increased by \$3.2 per cent to \$229m, while emigrant remit-

tances rose by 67.2 per cent to \$1bn. Portugal's current account deficit during the period fell by 67 per cent to \$276m, and the Bank is predicting a deficit for 1979 of around \$400m, a drop of more than half on last year.

The Bank is optimistic that the negative effects of recent oil price increases will be offset in the third quarter balance by the seasonal inflow of revenue from tourism and emigrant remittances.

While the external position has improved, the domestic economy still looks bleak. Inflation is running at an annual rate of 23 per cent. Growth in industrial production, which less than two years ago was over 8 per cent, has now fallen to 0.5 per cent. Latest figures, however, show a slight improvement over the virtual stagnation recorded in the first quarter of this year.

Meanwhile, uncertainty on the political front, as the country prepares for the December 2 election, is having a negative effect on business confidence and investment.

France promises its full backing for EEC entry

FRANCE HAS assured Portugal of its full support for early Portuguese membership of the Common Market following talks here between President Giscard d'Estaing and General Antonio Ramalho Eanes, the Portuguese President.

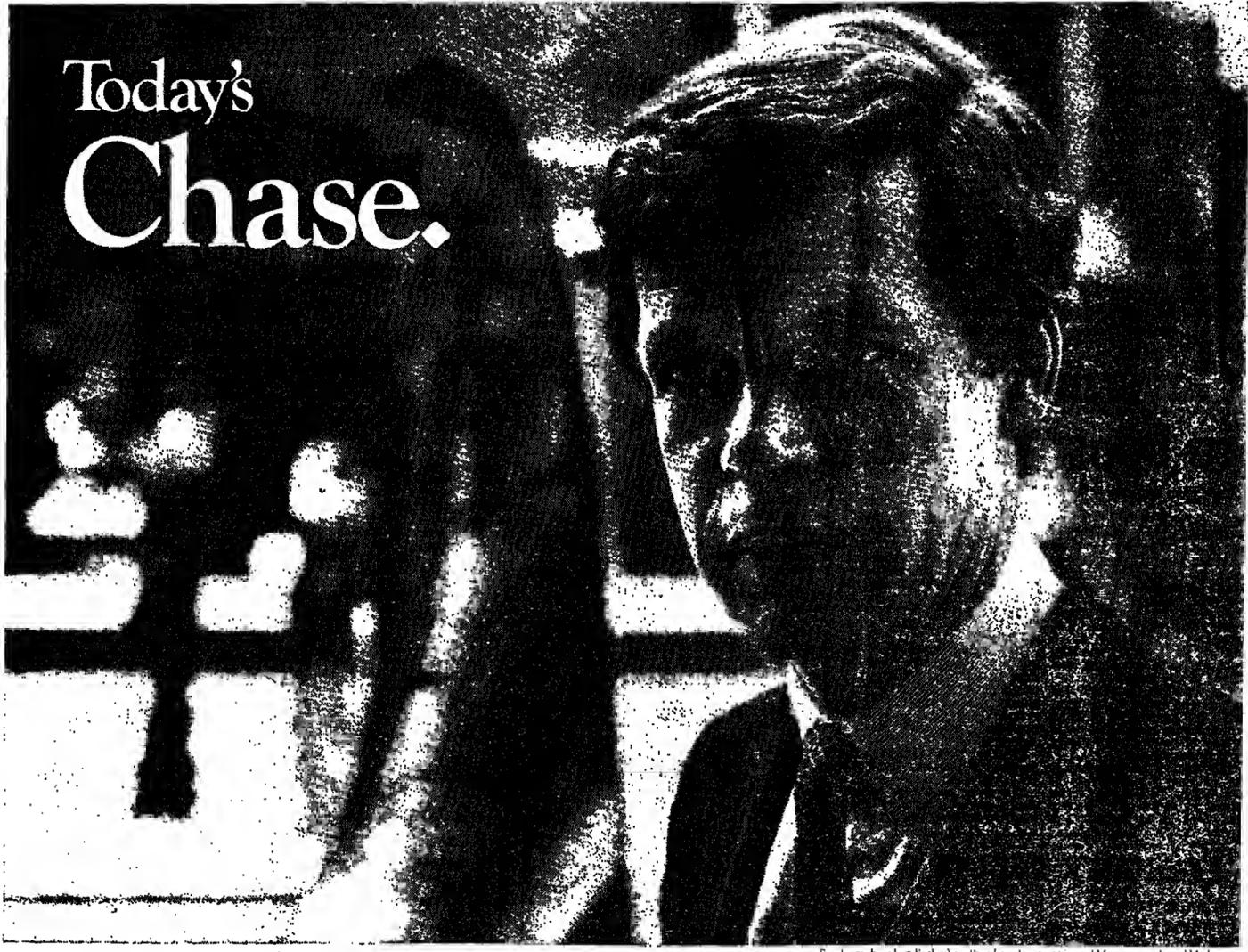
General Eanes, who is currently paying a four-day official visit to France, was told by his host that France hoped the negotiations for Portugal's entry into the EEC would be completed by the spring of 1981, committing Portugal to become a full member of the Community in 1983.

According to the French presidential spokesman, M. Pierre Hunt, Paris expects Portugal to enter the EEC before Spain, which has also applied for membership.

M. Hunt also announced that negotiations would open in the near future on a new £70m loan to be granted by France to Portugal to help the country's economic recovery, and an increased industrial co-operation.

Two commercial and technical agreements were due to be signed by French and Portuguese representatives yesterday. Under the first agreement, the French Thomson group will supply FFY 40m worth of electronic equipment to the Portuguese radio and television organisation. The other agreement provides for the installation of television equipment by the Société Française de Télévision in Portugal.

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EUROPEAN NEWS

West aims for further cuts in oil imports

BY ROBERT MAUTHNER IN PARIS

THE MAIN western industrialised countries will today discuss proposals to reduce their joint target for oil imports in 1985, and attempt to set group oil import objectives for 1990.

The proposals will be examined at a meeting of the governing board of the 20-nation International Energy Agency, together with the implementation of the decision taken at the European and western industrialised countries' summit earlier this year to establish a register of transactions on the spot market for oil.

The original IEA group target for imports of 26m barrels per day in 1985, is now considered to be unrealistic by the agency's experts. Dr. Ulf Lantzke, the IEA's executive director, is expected to suggest that it should be reduced to 23m or 24m b/d. The move follows recent projections by the agency, estimating that the excess of demand for oil on the world market would be of the order of 0.8m b/d in 1985, even if the Tokyo summit's targets were achieved. The reason for the need to scale down the West's imports

even further is that the outlook for oil production by the OPEC countries is now much more pessimistic than it was only a few months ago. According to the IEA's experts, the original estimate of 38m b/d production in 1985, by the OPEC countries, is now unlikely to materialise. Their production will probably total no more than 34m or 35m b/d by that time.

Saudi Arabia's production is expected to be no more than 12m b/d in six years' time, compared with original estimates of some 15m b/d. Hopes are fading that spot market transactions, which have been pushing up the price of oil, can be effectively controlled. Experts here have emphasised that even France, which was in the vanguard of those countries wanting to control the spot market, has recently been forced to buy at spot prices.

The meeting will be overshadowed by the failure on Tuesday of the nine EEC countries to agree on firm national oil import targets for next year. This has angered the U.S., which has hinted that it might delay the introduction of its planned oil import quota system.



Sr. Garcia Diez... touring Arab capitals

Spanish seek to ensure oil supplies

By Robert Graham in Madrid

SPAIN HAS initiated a series of contacts with Arab oil producers over the past month to ensure adequate supplies for the coming year. These initiatives were given a new boost by the recent official visit here by Mr. Yassir Arafat, head of the Palestine Liberation Organisation.

The Spanish authorities have been concerned both by continuing uncertainty over Iranian supplies and by the cutbacks in production by Libya — a major supplier to Spain.

These uncertainties have forced Spain into the expensive spot market in the past two months. The Government would like to avoid such a situation in 1980.

The main initiatives have been directed towards Algeria, Iraq and Libya. Since mid-September Sr. Juan Antonio Garcia Diez, the Commerce Minister, has visited all three countries. His most recent visit was to Iraq this week.

On his return, Sr. Garcia Diez said the Iraqis had given assurances that the existing contract for 5m tons, due to expire at the end of December, would be renewed for 1980.

He added that Iraq had undertaken, where possible, to provide additional supplies. This year, Iraq has helped considerably in bridging a shortfall in overall supplies by selling an undisclosed quantity of additional crude. Sr. Garcia Diez said that Iraq had agreed to do this even though it was cutting back on supplies to other customers.

In the case of Libya, which Sr. Garcia Diez visited on September 18, immediately after Mr. Arafat's visit to Madrid, similar guarantees have been given.

Libya has promised to supply 6m tons and to consider additional crude sales. Production cutbacks mean that current Libyan sales are down by about 20 per cent on the 5.5m tons sold to Spain last year.

Purchases from Algeria are much smaller, totalling 1m tons. Because of the high quality crude and the proximity of the market, however, Algerian supplies are also regarded as important. Sr. Garcia Diez has received assurances of continued supplies from this source.

To offset the \$1.6bn rise in Spain's bill for OPEC crude this year, Sr. Garcia Diez has also sought in these new deals to step up Spanish exports.

The Iraqis for instance have shown an interest in boosting their military purchases from Spain. At the same time, the Spanish are understood to be seeking crude on favourable terms, hoping to capitalise on their treatment of the PLO and refusal to recognise Israel.

Libya is the only country known to offer a four-year contract. Some 30 per cent of Libyan purchases are put on credit and at the year end transformed into a five-year dollar credit at market rates.

Italy obtains assurances on Iraqi crude

ROME — Italy has obtained assurances from Iraq of steady oil supplies in 1980, in spite of any possible cut-back in production there, the national news agency said. In a despatch from Baghdad reporting on an official visit to Iraq by Sig. Gaetano Stamatii, the Italian Foreign Trade Minister the Agency said that Baghdad had agreed to supply ENI, the Italian state oil company, with 10m tonnes of oil in 1980, compared with 8m in 1979.

Italian companies will have good opportunities to participate in major public works projects under the next Iraq five-year economic plan, Sig. Stamatii is quoted as saying. In addition, Italian concerns are expected to sign contracts with Iraqi partners in the near future for a combined total of L800bn (£450m), according to officials accompanying Sig. Stamatii. Reuter

Swedes warned on nuclear shutdown cost

BY WILLIAM OULLFORCE, NORDIC EDITOR, IN STOCKHOLM

A 50 PER CENT increase in the price of electricity, a crash programme to build six new coal-fired power plants by 1990 and major problems for the paper, metal and steel industries. These would be some of the consequences for Sweden if the national referendum to be held next March results in the dismantling of the country's nuclear power plants, according to two studies reported here yesterday.

The anti-nuclear faction includes Mr. Thorbjörn Fälldin, the Centre-Party

leader, whom the Riksdag (Parliament) is expected to confirm as Sweden's new Prime Minister today. They want to halt the nuclear programme and to close down by 1990 the six nuclear power plants now operating.

A group of experts commissioned by the parliamentary committee examining the consequences of a nuclear shutdown anticipates a 50 per cent increase in the price of electricity. This would mean that the pulp and paper mills would have to be concentrated into a few, much larger units

to reduce fuel costs, the experts say.

The country's aluminium smelter would have to close and the commercial steel industry could survive only with permanent State subsidies. The metal fabricating plants which depend on electrolysis technology, would also probably have to close.

The experts regard coal as the only practicable alternative source of energy, a conclusion supported by independent studies carried out within the industry and by economy ministries.

Even with a tough energy saving drive Sweden would need to commission six coal-fired electricity stations between 1987 and 1990, each with a capacity of about 600 MW.

The investment needed would amount to SKr 4-5bn (\$444m-£555m) a year at current prices during the beginning of the 1980s. To this would be added the cost of new harbours and transport systems for the coal, which would be imported from Australia, Canada and Poland.

Between 1990 and the end of the century a further eight coal-fired electricity plants would be needed. LKAB, the State iron mining company, which has set up a coal importing subsidiary, calculates that Sweden would need to import 13-20m tons of coal a year by the end of the 1990s.

A decision to stop the nuclear programme would, in the meantime, raise the country's already heavy reliance on imported oil. At current prices this would cost an extra SKr 4bn a year.

Oil price rises boost W. German cost of living

BY ROGER BOYES IN BONN

THE COST of living in West Germany rose by 5.3 per cent in the year ending last September, thus passing the 5 per cent inflation barrier for the first time in over three years. Month-on-month inflation however appears to be stabilising at a low level.

The 5 per cent mark has been regarded as something of a watershed in West Germany, with its traditional fears of spiralling inflation. But the rise clearly reflects special factors and is, in any case, based on a particularly depressed cost-of-living rise figure for 1978.

Aggravated by oil price increases and, from July, a rise in Value Added Tax, the year-on-year rise in the cost of living has been creeping up from 3.5 per cent in April to 4.6 per cent in July and 4.9 per cent in August.

On a month-to-month basis, however, inflation rose by only 0.1 per cent in August against July and this percentage increase was maintained from August to September. If this trend continues, the annual average inflation for 1979 should remain below 5 per cent.

This will reassure the Bundesbank, which has been pursuing a

tight-money policy to keep "home-made" (non-imported) inflation under control.

But the year-on-year rate clearly spells problems ahead for the Government and employers in the coming wage round, as the unions seem set to build a high inflation component into their bargaining.

The Federal Statistics Office,

which released the figures yesterday, estimates that, if seasonally adjusted food price rises and fuel increases are excluded from the cost-of-living figure, the actual rate of price increase would be 4.1 per cent. From September 1978 to September 1979, it points out, the price of light heating oil alone rose by 99.8 per cent.

The German Wholesalers Association said yesterday that wholesale prices should reach their peak in the last quarter of this year and begin to slacken considerably in 1980, if non-imported inflation remained stable. Wholesale prices have been particularly badly affected by the increases in oil and raw material costs.

Cabinet move to curb tax abuse

BY OUR BONN CORRESPONDENT

THE West German Cabinet has moved against companies whose activities are chiefly aimed at saving tax through write-offs against their owners' income from other sources.

The Social Democrat Government has long complained that abuses by these so-called "depreciation firms" have meant big losses in State revenue, are unfair to normal taxpayers and cause investment to be mis-directed.

At its meeting yesterday, the Cabinet approved steps to abolish in its present form the key instrument under this tax

saving practice: the negative capital account.

Through this practice, a shareholder in a depreciation company, usually formed as a limited partnership, has up to now been able to offset against his normal tax liability sums far exceeding his nominal stake.

Many of the firms are involved in investments with long lead times before profits emerge, and have aimed particularly at sectors qualifying for special Government depreciation allowances.

One of the Government's problems has been to avoid

penalising legitimate family concerns whose investment activities are not mainly aimed at avoiding tax.

It believes it has taken care of this with the proposed new measures. In future a shareholder will not be able to offset immediately sums higher than his nominal stake in a company, but will have to spread them over several years. During this period they will be counted against any future company profits. It is felt that this change will actually bring short-run advantages for the genuine family business.

Ashland forms new offshoot

By David Lascelles in New York

ASHLAND OIL, the large independent oil company which is in the process of overhauling its operations, has formed a new subsidiary to handle ventures outside its traditional line of business. The new offshoot will be called the Ashland Development Company.

Mr. Orin Atkins, Ashland's chairman, said the new company will "allow us to gain a foundation in today's developing technologies that will become the centrepiece of tomorrow's marketplace."

During the course of this year, Ashland has divested itself of most of its oil and gas properties in order to become primarily a refiner and marketer of oil products. The sale realised over \$1bn for which Ashland is now seeking a new home. Part of the money has been used to improve Ashland's debt structure. But the rest will be invested in new activities.

East Germany begins freeing its prisoners

A wide-ranging East German amnesty, which is likely to bring freedom to thousands of political and criminal prisoners, came into force yesterday.

Opposition to N-power gathers momentum

BY OUR PARIS STAFF

THE ANTI-NUCLEAR protest movement in France has taken another step forward with the clash on Tuesday night over a cargo of waste from Japan. It follows recent trade union protests against the fuelling of two nuclear power plants, where surface cracks were discovered in some key steel alloy components.

On Tuesday about 100 demonstrators clashed with police in an attempt to prevent the unloading of a cargo of Japanese radioactive waste destined for the La Hague reprocessing plant, near the Port of Cherbourg.

The unloading operation from the British-registered freighter Pacific Fisher at Cherbourg docks was delayed for several hours after the protesters, including members of ecologist groups, had sabotaged a crane and had overturned two goods wagons, thus temporarily blocking the railway line from the port.

A convoy of trucks, escorted by police detachments, later suc-

ceeded in transporting the radioactive waste, sealed in seven containers, to La Hague, but only after police had dispersed stone-throwing demonstrators by firing tear-gas grenades.

The consignment was the second of its kind sent to France from Japan, for reprocessing at La Hague, under a \$800m contract in which Britain also has a share. More than 1,700 tonnes of spent nuclear fuel has so far been treated at La Hague since the plant began operating in 1967.

The French electricity generating board was forced last week by strikes to delay its plans to fuel the power stations at Gravelines, near Dunkirk and Tricastin, in the South of France, pending further security checks. The board has said that it expects to start fuelling the stations in about two weeks' time, but the unions have threatened further strikes unless they are satisfied that the faults have been put right.

Three resignations bring down Iceland's coalition

BY JON MAGNUSON IN REYKJAVIK

THE RESIGNATION of three Social Democratic Ministers has brought down Iceland's three-party, left of centre Government. They left the Cabinet last week in protest at the Government's failure to control inflation, which now has reached 60 per cent.

The outgoing government, which was Iceland's third left-wing coalition since the independence in 1944, had been in office for little more than a year. Neither of the two previous left-wing governments lasted out its four-year parliamentary term.

Mr. Olafur Johannsson, the Prime Minister, is expected to confirm his resignation soon, but it is believed that he will not call for elections in two months' time as is customary in such circumstances. This means that a caretaker Govern-

ment is likely to be formed within a few weeks.

The other partners in the unpopular left-wing coalition were the middle-of-the-road Progressive Party and the Communist-influenced People's Alliance. Both parties would prefer to delay elections to prevent the Social Democrats from gaining votes by pulling out of the Government now.

The right-of-the-centre Independence Party, which has been the sole opposition party since the left-wing election victory last year, would win a clear majority if elections were held now, according to newspaper polls.

The outgoing Government has been paralysed almost from the day it took office, because of political infighting and distrust between Ministers from the three parties.

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Italy obtains assurances on Iraqi crude

ROME — Italy has obtained assurances from Iraq of steady oil supplies in 1980, in spite of any possible cut-back in production there, the national news agency said. In a despatch from Baghdad reporting on an official visit to Iraq by Sig. Gaetano Stamatii, the Italian Foreign Trade Minister the Agency said that Baghdad had agreed to supply ENI, the Italian state oil company, with 10m tonnes of oil in 1980, compared with 8m in 1979. Italian companies will have good opportunities to participate in major public works projects under the next Iraq five-year economic plan, Sig. Stamatii is quoted as saying. In addition, Italian concerns are expected to sign contracts with Iraqi partners in the near future for a combined total of L800bn (£450m), according to officials accompanying Sig. Stamatii. Reuter

'It was like Oliver Twist in reverse, Mr Wagstaff..'



'...I asked for less and you gave me more!' 'You've got your cash flow projection to thank for that. You did a good job there,' said Mr Wagstaff. 'With a little help from you and Jack Rogers!' 'Well, Jack's one of the best accountants in the business. You won't go far wrong with him on your side.' 'But you suggested doing the cash flow in the first place, Mr Wagstaff. Don't be so modest!' 'That was in our interest as well as yours. We both need to know where you're going, don't we? No point in lending you money to set up a new factory and then having you find out in a few months that it's not nearly enough. Sleepless nights for you. Headaches for us. Hardly the way to start expanding your business!' 'Well, that cash flow chart showed I needed almost twice as much as I thought I did, so I'd have had sleepless nights all right! But now, instead of counting sheep I count all those extra hi-fi speakers we'll be making in the new place, and fall asleep dreaming of exporting to Japan!'

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Wagstaff reflected on the novelty of it all.

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OVERSEAS NEWS

Christian feuds cause new Lebanon tension

BY IHSAN HIJAZI IN BEIRUT

A PERIOD of relative calm which has prevailed in Lebanon for the past few months is threatened by rising tension in the North after a wave of kidnappings and counter-abductions by rival Christian factions.

A major inter-communal conflict between the Phalangists, the main Christian Maronite faction, and the armed followers of ex-President Sleiman Franjeh—also Christians—seems imminent as a bitter unknown organisation, calling itself the Revolutionary Group in the North, has announced that it executed five of the ex-President's men previously taken as hostages.

The group is probably an integral part of the paramilitary forces of the Right-wing Phalangists based in the north of the area effectively controlled by Lebanon's pro-partition Christian community. Retaliation from the Franjeh faction for the killings is expected.

About 150 people are being held by the rival groups which have been feuding for more than a year. Among those seized by the Phalangists are known to be five members of Mr. Franjeh's family. His supporters are

reported to have rounded up the families of 60 suspected Phalangists.

The conflict is not just a symptom of traditional feuding between Maronite Christian factions under rival leaders. The Phalangists, who at one point were allied with Mr. Franjeh's feudal following during the 1975-76 Lebanese civil war, were deeply offended by his continuing links with President Hafez al-Assad of Syria. They were also quickly disenchanted with the Syrian peacekeeping force, which originally intervened in the civil war on the side of the Christians.

Most of the recent abductions have taken place in an area in which Syrian troops have a heavy—and recently reinforced—presence. The conflict broke out in June last year when Mr. Franjeh's eldest son, Tony, and 30 others owing allegiance to him, were killed in a raid by the Phalangists against Ehdeo, a mountain resort in the heart of Franjeh's country. Since then the two Christian Maronite groups have been engaged in hit-and-run warfare against each other.

Group talks on aid for Uganda

By Michael Holman

A WORLD BANK consultative group meeting on the Ugandan economy will be held in Paris from November 6 to 8, Mr. Jack Santonga, the country's Minister of Finance, said yesterday.

The meeting will follow up a conference of donors held in the Ugandan capital of Kampala in July this year at which programme aid worth \$135m (£63m) was pledged.

The Paris meeting will be attended by friendly governments and their aid organisations as well as international bodies.

A mission from the International Monetary Fund will visit Uganda from October 23, and the Government hopes to draw on IMF facilities, including the special fund and the compensatory finance facility, from which a credit of \$m Special Drawing Rights has already been approved.

Ghana denied credit

Ghana is being refused further credit by foreign exporters and bankers, according to the Bank of Ghana, Reuter reports from Accra. Quoting the bank's monthly economic bulletin, the agency said arrears of short-term payments on existing international loans totalled 1.19bn cedis (£198m) at the end of July.

THE FUTURE OF HONG KONG COLONY

UK commitment in doubt

BY PHILIP BOWRING IN HONG KONG

HONG KONG'S Governor, Sir Murray MacLehose, said yesterday that the time for negotiating the colony's long-term future was approaching, and might be obliquely broached during the visit to London later this month of Chairman Hua Guofeng, China's leader.

He also claimed that it would be the British and not the Chinese who might need to be persuaded of the advantages of maintaining administrative charge of the territory.

In the past, Sir Murray said, most attention has been concentrated on China's attitude to

Hong Kong. But as Peking's policies become more pragmatic, so more attention would have to be given to the views of the British Government.

Sir Murray was making his annual state-of-the-colony speech to mark the opening of the new session of Hong Kong's Legislative Council.

On relations with China, Sir Murray noted the rapid development of contacts, but urged China to stem more effectively the flow of legal and illegal immigrants into Hong Kong.

After falling dramatically in August, the numbers of "illegals" captured had begun

to rise again. Legal arrivals were still 170 a day. The level of immigration had not dropped, "as we hoped it would, and as we were assured it would."

Dealing with Hong Kong's domestic economy, Sir Murray said that despite some improvements and the buoyancy of exports, "dangerous" elements of disequilibrium remained. Domestic demand must be moderated "before excess imposes its own painful remedy." A slowdown in both exports and overall growth was expected in 1980.

Lonrho takeover to be legalised

BY OUR DAR ES SALAAM CORRESPONDENT

TANZANIA IS to place a Bill before its National Assembly this month to legalise its takeover of Lonrho here.

The Tanzanian Government decided to expel the trading company in June last year because, it said, Lonrho was meddling in the affairs of southern Africa and undermining "the freedom struggle through its activities elsewhere."

The company was given three months to dispose of its assets, but in the following September Tanzania took over operation of

the 18 Lonrho interests here claiming that the company was refusing to negotiate the handover.

Today the Government-owned Daily News said a Bill would be tabled on October 23 "seeking legal provisions for the acquisition of Lonrho."

The Bill provides for the Government to acquire all company shares through the Treasury. It proposed that a new board be established to run the companies until they are reallocated.

Mr. Edwin Mtei, the Finance Minister, is to determine how much compensation is to be paid to Lonrho.

At the time of the takeover, the company said the Tanzanian Government had painted a totally false picture of Lonrho's African activities and the group had "good reason to be proud of its record in Africa and its activities on that continent."

Lonrho's interests in Tanzania included motor distribution and textiles, providing some 2,500 jobs.

Kuwaiti interest rates rise after outflow of funds

BY OUR FOREIGN STAFF

THE STEADY outflow of funds from Kuwait this year is starting to cause liquidity problems for the oil-exporting state's domestic money markets, and is propelling interest rates on Kuwaiti dinars as high as 15 per cent in the past week.

The Kuwait central bank has estimated that during the first six months of the year 500m Kuwaiti dinars left the local market, although no estimates are available on outflows in the past three months.

One factor given for the outflows is that Kuwaiti investors have been moving funds overseas because of concern over political stability in the Middle East.

Bankers and financiers give several explanations for the problem.

One is that the central bank has set a ceiling, averaging about 8.5 per cent, on the interest rate the commercial banks can charge private customers for the extension of credit, thereby also limiting what the commercial banks can give in interest on Kuwaiti dinars accounts. Kuwaitis therefore are converting their Kuwaiti dinar accounts to other currencies, mainly dollars,

where they can get interest rates of 18 to 14 per cent and are borrowing Kuwaiti dinars to do this.

The Kuwaiti dinar is so closely linked to the dollar that Kuwaiti dinar/dollar rates have fluctuated very little this year, thus giving Kuwaitis confidence when converting Kuwaiti dinars.

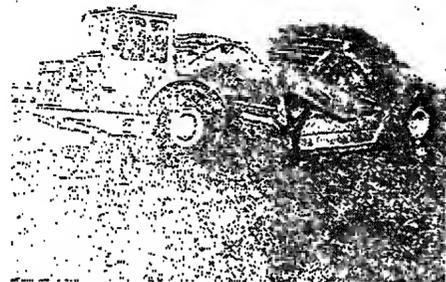
Also, the Kuwaiti dinar bond market is pulling dinars out of the domestic market as more and more top quality foreign borrowers find that borrowing dinars at the prevailing low interest rates is a good way of getting cheap dollars. So far this year dinar bond issues have totalled 120m Kuwaiti dinars.

In addition, there has been a Government moratorium on the formation of new public shareholding companies here so Kuwaitis are forming these companies in other Gulf countries.

Lastly but not least are fears of the political stability of the area in the light of the Iranian revolution.

The expectation here is that central bank will intervene. It did last April when interest rates were soaring by asking Kuwaiti dinars available through its swap facilities.

Fiat-Allis versus the heavy-weights in search of new ideas.



The Fiat-Allis 161. The scraper with unique hydraulically-adjustable elevator assembly.

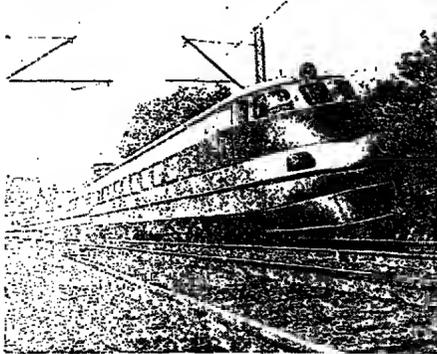
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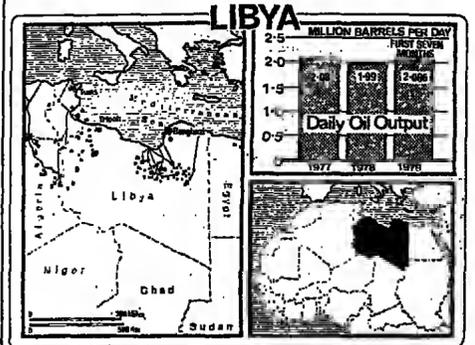
has a net sales income of over 15 billion dollars, has 200 production plants and employs 330 thousand people.

The Fiat Group has proven its capacity to innovate in fields as far apart as cars and energy production, aircraft and farm tractors, trucks and marine engines, railway rolling stock and machine tools.

And there's a lot of Fiat in Fiat-Allis.

We are not the biggest in the business, and we have a great deal of respect for our competitors and for the machines they build.

But we think that ours are hard to beat. You're the judge.



Foreigners queue to explore for Libya's oil

BY SUSAN MORGAN, RECENTLY IN TRIPOLI

LIBYA'S recent warning to many of its customers to expect cutbacks in crude oil sales when contracts expire at the end of the year is the most serious sign yet of the Government's desire to link new contracts to investment in exploration.

Mr. Izzedin Mabrouk, the Oil Minister, said at a seminar of the Organisation of Petroleum Exporting Countries in Vienna last week that the impending cuts in supply would leave more crude available for companies making investments in exploration. One foreign oil company official in Libya said he expected at least \$400m to be invested by companies over the next five years.

Because the oil companies have known for some time of the new terms for contracts, intense negotiations have been going on between the Libyans, the companies and foreign governments anxious to win exploration concessions. So far, few details have been made public, but it is understood that West Germany will enter Libya for the first time and acquire a substantial proportion of the reallocated crude in return for exploration investment.

A senior official from the West German company Deminex said that tentative agreement had been reached on the acquisition of eight new concessions. Representatives from several other companies not currently operating in Libya—particularly from the United States and Eastern Europe—have visited the country to discuss future contracts. The series of hopeful delegations to Tripoli has included British Petroleum, whose 50 per cent interest in the Sarir field was taken over by the Government in 1971.

Foreign companies are now more willing to commit themselves to operations in Libya as the threat of nationalisation appears to have receded. Colonel Gaddafi has specifically exempted the crucial oil sector from the ravages of worker take-over—the current phase of his Libyan Revolution and the companies already there seem confident that their remaining stakes will not be touched.

All the producing groups, with the exception of two minor offshore operations, are subject to state participation through the National Oil Company of between 50 per cent and 85 per cent. The national company, for instance, has a 50.2 per cent share in the Oasis consortium made up of the U.S. independents, Continental, Marathon and Amerasia Hess, which produces about a third of Libya's output.

Maximisation of production has taken precedence over government control of operations. In the interests of conservation, Col. Gaddafi slashed output by a half after he seized power in 1969, but the increasing demands of his development programme have occasioned a change in production policy.

This problem is that liftings from currently exploited fields are running at maximum capacity and, despite production targets for this year and last of 2.6m barrels a day, output is stuck firmly around the 2m b/d level. A goal of 2.7m b/d is still officially in force for 1980, but Libya will have to wait for the results of new exploration before output is substantially boosted.

With spot prices for top quality Libyan crude running 50 per cent above official prices and likely to remain high so long as uncertainty persists over Iranian production, the Libyan Government finds it hard to resist trading on the spot market to meet the pressing needs of its development programme.

Western, and especially U.S., companies are nervous about the implications of the crude reallocation policy. About 90 per cent of Libya's exports go to the West, and 40 per cent of them end up in the U.S. Hence they cannot afford to be left out of a race for exploration concessions.

The most promising areas are the highly productive Sirte basin, inland from the bay of Benghazi, the region further south and closer to the Egyptian border and fields in the West near the Algerian frontier.

Iran exchange controls

TEHRAN — Iran's monetary authorities will meet in a week's time to decide on permanent exchange control regulations, Mr. Ali Mowlavi, governor of the Central Bank of Iran, said yesterday.

"Maybe in the future, once we have new regulations on foreign currency and taking into account all the other problems, we will adopt a more realistic rate (for the rial) against the dollar and the International Monetary Fund's Special Drawing Rights."

The present official exchange rate of the rial was artificially high and the currency had in practice already been devalued. The Government recently decided to sell foreign exchange to Iranians travelling abroad at 80 per cent above the official fixed exchange rate of 70.00 rials the dollar. The official buying rate is 70.55 to the dollar.

مركز من الأخبار

AMERICAN NEWS

MARKETS WAIT FOR CLEAR SIGNAL

Fed moves into uncharted waters

BY STEWART FLEMING IN NEW YORK

THE Federal Reserve Board is facing a succession of complex and delicate decisions over the next few weeks, and probably months, as it attempts to implement its new monetary policy.

information, for it will take many weeks for the markets to begin to estimate the strictness of the Fed's new policy.

Firm policy

On the other hand, the central bank must also be careful that, in order to satisfy the foreign exchange markets' demands for evidence of firm policy, it does not demoralise the domestic markets and translate confusion and uncertainty into panic.

Issues outlined

Some of the issues the central bank is facing were outlined in a rare briefing last Tuesday by Mr. Peter Sternlight, senior vice-president of the Federal Reserve Bank of New York.

Mr. Sternlight did not underplay the extent of the changes which are apparently under way. "We are still very much experimental," his comments came at the end of a day which had seen wild fluctuations in what used to be Wall Street and the world's relatively stable barometer of the cost of short-term dollar funds—the Federal Funds Rate. It moved between

the problem, of course, is that moves to calm domestic markets could unsettle the foreign exchanges.

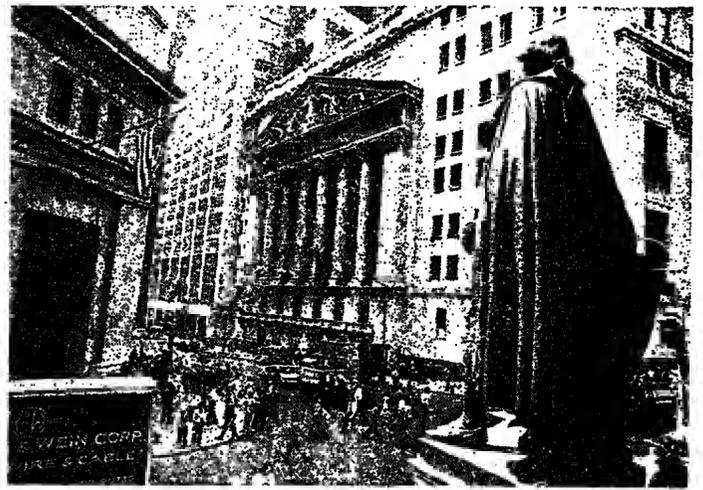
So far as Fed's day-to-day operations are concerned, handling the Fed's policy is clearly going to be just as tricky for the Fed as for the dealers in the money markets. Faced with wide fluctuations in rates, the potential for losses and profits in trading money in New York are greatly increased.

when the Fed's open-market committee publishes the minutes of its monthly meetings.

In a detailed explanation of the new procedures, Mr. Sternlight said the new approach would work in this way: "The staff starts with the monetary aggregates sought by the (federal open market) committee, and works out reserve needs and monetary base needs that generates after making assumptions about deposit mix and other reservable liabilities."

NBR path

From this broad calculation, a path is derived for the monetary base and total reserves (the monetary base is total reserves plus currency outside member banks). From the total reserve path one can subtract an assumed level of borrowing (from the Fed's discount window) to get at the path for non-borrowed reserves (NBR). The NBR path can be thought of as a first approximation to what we might want to achieve in a particular week, but, and it's a big but, we would make adjustments to the week-to-week target depending on the degree of pressure we want to



A statue of George Washington looks across Wall Street to the New York Stock Exchange, where selling pressure is heavy following the Federal Reserve's package.

put on the banking system to move towards the desired reserve and monetary base paths. These paths, of course, would be aimed at the target longer-term growth desired for the money supply.

Mr. Sternlight went on to explain that the Fed would intervene in the markets, draining or adding reserves as it has done in the past, but not following the stable pattern of the past, when the Fed could, on

occasion, for weeks be counted on to provide reserves at one federal funds interest rate level and drain reserves at another, which might be only one quarter of a percentage point higher.

Clearly, what this adds up to is a very much more complicated money market to operate in while the Fed pursues this new tack, not only in the U.S. but also in the international dollar markets.

Carter hopes for Florida's backing

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

PRESIDENT CARTER has said the outcome of the coming weekend's Democratic Party caucuses in Florida will be the first significant test of the relative strengths of himself and Senator Edward Kennedy.

Throughout his Press conference on Tuesday Mr. Carter did nothing to detract from the general impression that he will seek re-election next year. A formal announcement of his candidacy is expected in early December, although he, once again declined to confirm that he was in the race.

But in elevating the Florida caucuses to a status of significance, he was obviously encouraged by reports from his political advisers that he should again do well in the state which as much as any other, set him on the road to victory in 1976.

The weekend caucuses are being convened to send delegates to a state-wide party convention in November, which will conduct a non-binding straw poll of presidential preferences.

About half the convention's composition will be selected by the state party's hierarchy, which seems solidly behind the President. Local caucuses will choose the remainder of the delegates this weekend.

Only last week, Senator Kennedy, whose supporters have been waging a vigorous draft movement in Florida for several months, sought to play down the importance of the state party's deliberations. He argued that the first real test of political appeal would be found in the Iowa caucuses next January.

The Carter camp has countered by charging that it was the Kennedy movement which first tried to turn the Florida caucuses into a major event.

However, as Senator Edmund Muskie found to his cost in his race against Senator George McGovern in the New Hampshire primary in 1972, there is an inherent risk in pitching public expectation too high. If Mr. Carter wins by a less than convincing margin in Florida, it can easily be portrayed in the media as a virtual defeat.

Canadian provinces to get more power

BY VICTOR MACKIE IN OTTAWA

THE NEW Progressive Conservative Government in Canada of Mr. Joe Clark has promised to give more power to the provinces and reduce Government intervention in the private sector.

Central of Government expenditure will be tightened. A new management system has been introduced under which the Government will set strict overall spending limits for individual Departments.

Measures will be put before Parliament in this session to assist small and medium-sized companies and to broaden the ownership of public and private companies.

In the Throne Speech to the first session of the new Parliament the Government said it was launching a five-part programme to stimulate economic growth.

The Government will place greater reliance on individual initiative to generate growth and jobs.

Measures will be introduced to expand research and development in Canada and to further promote exports of Canadian goods and services.

Legislation will be drawn up to improve the handling of industrial disputes within Federal jurisdiction. The proposed labour measure will also prohibit strikes in essential services such as police and fire fighting.

Thirdly, the Government will



Mr. Joe Clark, Canada's Prime Minister

propose measures to help individual Canadians build a stake in the country, such as tax credits for mortgage interest and property taxes.

A White Paper on the development of fisheries resources will be prepared in consultation with the fishing industry and the provinces. In addition, the Government has started to overhaul the grain transportation system to speed up deliveries overseas.

The Government is committed to making Canada self-sufficient in energy by 1980. Editorial comment Page 24

Mexico's £2bn rail plan

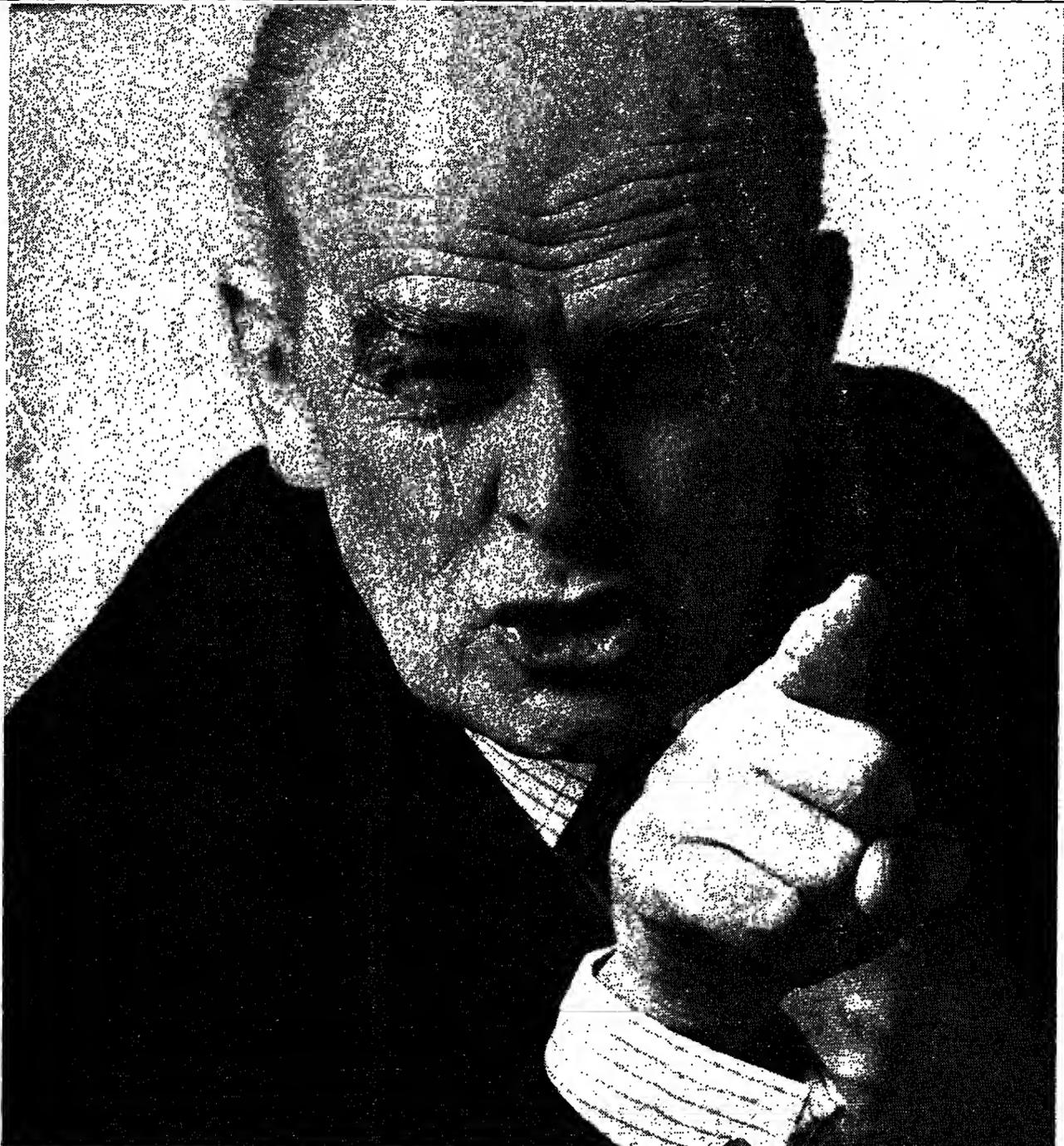
BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO has announced a long-awaited plan to expand and modernise the country's railways at an initial cost of 100bn pesos (\$2,039bn). Bottlenecks in the system are holding back an economy which is being boosted by rising oil revenues.

The investment is to cover improvements and additions to the existing 562 miles of track, as well as electrification of some of the main arteries and links with the U.S. border. Improvements will include a

branch line to Tampico on the Gulf Coast, which is to be one of the Government's four priority port development areas. There will also be a coast line from Tampico to Veracruz and the extension of Tehuantepec from Coahuila to the Gulf coast to Salina Cruz on the Pacific coast.

Mexico's railways are so over-worked that the state railway company has to pay nearly 2m pesos (£40,791) a day to rent waggons from U.S. companies.



I didn't get where I used to be today by kissing all the employees every morning.

Indeed not. For even a fictitious company principal knows that there are these days more effective, not to say hygienic, ways of keeping staff happy. Company pension schemes are one.

Health insurance schemes are another. Then there are AVC schemes and personal pension plans for contracted-in employees. We are leaders in all these fields. We are NEL. Your insurance broker

can tell you more about us.



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Specialists in personal and group pensions and permanent health insurance.

WORLD TRADE NEWS

ISRAEL'S \$100m BUS ORDER

Daimler-Kuwait link 'not damaged'

BY OUR FOREIGN STAFF

THE WEST GERMAN motor industry is confident that Daimler-Benz's relations with Kuwait and the wider Arab world will not be damaged by the \$100m bus contract concluded with Israel.

and treaty with the Jewish State. At the same time such a publicised sale—involving, presumably, a return for Arab equity finance—is unique in the annals of Arab trade warfare against Israel.

The Kuwaitis make their voice heard at annual meetings through Dresdner Bank. Daimler-Benz has so far neither confirmed nor denied that it has won the contract, for which it reportedly faced stiff competition from another major West German manufacturer, Maschinenfabrik Augsburg-Nürnberg (MAN). It was among other companies tendering for the order.

The 1,050 buses are being bought by Egged, Israel's inter-urban bus co-operative, and apparently payment will be made in cash. Deliveries are expected to start at the end of this year or beginning of next and will stretch over two years. Daimler will supply all the components for the vehicles and will also provide spare parts and servicing. West Germany is Israel's second largest trading partner after the U.S., accounting last year for 10 per cent of Israeli imports and 9 per cent of exports.

UK is top French wine buyer

By David White in Paris

THE BRITISH became the main customers for French wines and spirits in the first half of this year, overtaking the Americans. Exports to Britain soared by 43 per cent compared with the same period last year, to FF2 823m (£91m), according to the French Foreign Trade Centre.

EEC group seeks to broaden trade ties with Brazil

BY DIANA SMITH IN BRASILIA

AN EEC delegation headed by Herr Wilhelm Haferkamp, the Commissioner for Foreign Affairs, is meeting with President Joao Figueiredo and other senior Brazilian Government officials this week in order to broaden its trade agreement with this developing country.

Brazil's overseas sales and imports from the EEC absorbed 25 per cent of all overseas purchases. The ratio began to decline after 1975, the year Brazil began selective import restrictions to cope with the leap in annual imported oil costs from \$800m in 1973 to \$3bn two years later.

Ericsson wins \$20m order

By John Walker in Stockholm

A \$20m order from the Bogota, Colombia telephone administration has been placed with the Swedish telephone company L. M. Ericsson. The order includes 11 computer controlled AXE telephone exchanges.

World Bank may aid Sudanese

BY JAMES SUXTON

THE WORLD Bank is considering making a large loan to Sudan to pay for vitally needed imports. Together with a contribution by the EEC the total amount envisaged is understood to be about \$50m.

In the past few years a worsening shortage of foreign exchange has prevented the government buying enough pesticides, fuel, spare parts and other items to maintain agricultural output from existing acreage.

John Worrall adds from Nairobi: It is a "regrettable necessity" that Britain has to cut its aid programme by \$50m. Mr. Neil Marten, the British Minister responsible for overseas development, said in Nairobi yesterday.

Dowty expands UK base to meet export orders

BY LORNE BARLING

DOWTY GROUP, the aero space equipment company, is expanding its UK plants to meet a stronger flow of export orders, largely as a result of major aircraft development programmes in Europe and the U.S., its chairman, Sir Robert Hunt said yesterday.

The company, which earned more than £4m from exports of aerospace and defence equipment in the last financial year, is to supply parts for the new Boeing 767 and Airbus Industrie A310 airliners, and for Jaguar fighters to be built in India.

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U.S. fashion enjoys Japan boom

BY YOKO SHIBATA IN TOKYO

NEW YORK fashion designers are being swamped with requests for licensing agreements from Japanese department stores and clothing manufacturers.

three years ago. His locally manufactured ladies' and men's shoes and bags are sold at Mitsukoshi, Japan's most famous department store, with annual turnover as high as Yen 15bn (£51m) last year.

Bill Blass whose designs are manufactured under licence by Sanyo Shokai, the clothing manufacturer. Last week Japan's largest clothing company Renown announced that it started manufacturing clothes designed by Perry Ellis.

Notice of Redemption Nippon Electric Company, Limited

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of May 15, 1969, under which the above described Debentures were issued, Citibank, N.A., as Trustee, has drawn by lot, for redemption on November 15, 1979, through the operation of the sinking fund provided for in said Indenture, \$1,000,000 principal amount of Debentures of said issue of the following distinctive numbers:

Table with columns: COUPON IDENTIFIERS OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING. Lists various numbers for redemption.

The Debentures specified above are to be redeemed for said sinking fund at the SED, Multinational Securities-2nd Floor of Citibank, N.A., 111 Wall Street in the Borough of Manhattan, The City of New York, State of New York, the main offices of Citibank, N.A. in Amsterdam, Netherlands and Milan, Italy; The Chase Manhattan Bank (National Association) in Paris, France and Frankfurt/Main, Germany; The Bank of Tokyo, Ltd., London, England and Brussels, Belgium; Swiss Bank Corporation, Basle, Switzerland and at Kredietbank S.A. Luxembourg, Luxembourg, as the Company's paying agents, and will become due and payable UPON PRESENTATION AND SURRENDER THEREOF on November 15, 1979, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on said Debentures will cease to accrue.

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UK NEWS

Insider dealing director censured

BY CHRISTINE MOIR

A SECOND former director of Intereuropean Property Holdings has been censured by the Take-over Panel for insider dealing during the Associated Communications Corporation's takeover of IPH earlier this year.

The Panel has ordered Mr. Stanley Margolis, formerly responsible for Intereuropean's U.S. operations, to hand his profits on the purchase of 20,000 shares to charity since he bought them knowing ACC had already made bid overtures to his company.

The Panel report says Mr. Margolis bought 20,000 shares on January 16 having been present at the previous day's meeting when Intereuropean's auditors were informed ACC might make a bid.

When the Panel asked for an explanation, Mr. Margolis wrote from the U.S. saying at the time of purchase he had not been privy to any discussions with ACC and did not know of the bid approach.

He later admitted he had been present at the meeting with the group's auditors.

The Panel concludes Mr. Margolis "attempted to deceive the Panel by falsely claiming he had no knowledge of the contemplated bid." It says that as a chartered accountant and company director "he can hardly plead ignorance of the Takeover Code terms" — a defence also adopted by Mr. Marsh.

Mr. Margolis's conduct "was open to serious objection and deserves grave censure," the Panel rules. He has agreed to pay profits of the deal to a Panel-nominated charity.

Denationalisation 'a threat to company'

BY JOHN LLOYD

THE DIRECTORS of Cable and Wireless, the state-owned communication company which carries out most of its business overseas, are thought to be strongly opposed to any moves to denationalise it.

Discussions with the Government are going on, though no proposals have yet been made.

The boards' objections to denationalisation are based on the belief that it would threaten the major part of the company's business, which is in the operation of telecommunications systems for overseas Governments.

Lord Glenamara, the company's chairman—formerly Mr. Edward Short, deputy leader of the Labour Party—said yesterday that "there is always the danger that the franchisees could be renationalised if Cable and Wireless were denationalised. Any change in the ownership of the equity here could upset the delicate balance of our overseas franchisees."

Over the last financial year, the company made a profit of £37.9m, marginally up on the

previous year's figure of £36.7m.

Over the same period, the company's revenue rose from £177.5m to £206.5m. Lord Glenamara said that the comparatively small rise in the profit was due to the continued appreciation of sterling, the costly growth of the communications systems and services division and a £3m reduction in some of its tariffs.

The franchise business, which provides more than £160m, or 80 per cent, of the revenue, had been thought of as likely to decline. However, it has increased instead, with new business being won in Botswana, Tonga, the Solomon Islands and the New Hebrides in the last year. At the same time, services on existing franchisees have expanded.

The systems and services division, which is projected to rival the franchise division in importance in the future, has seen a revenue increase from £29m to £42m in the last year. However, heavy costs have held down profit, and the

group's U.S. subsidiaries have shown losses. Mr. Peter McCunn, the group's managing director, said the U.S. operation would show about a £2m loss in the current year, and should reach profit next year.

The company has in the past been plagued by incomes policies holding down the levels of its directors' salaries to below those of senior staff.

The implementation of the first stage of the Boyle recommendation has had the effect of reducing these anomalies, but the report shows at least four senior staff on salaries higher than the three executive directors. Lord Glenamara said that even the full implementation of the Boyle recommendations would leave a small margin in favour of the staff.

Lord Glenamara's three-year term of office, which expired earlier this week, was extended for a further year at the request of the Government. However, he said yesterday that he intended to retire during the year.

Denial in 'oil into water' case

ACCUSATIONS OF slackness made against Indonesian customs officials in a case in which "exotic Eastern oils" turned out to be water were denied in the High Court in London yesterday.

It was suggested by Mr. Soetiarjo, head of the export department of customs at Tanjung Priok, the port for Djakarta, Indonesia, that in 1976 customs officials failed to follow regulations.

Mr. Soetiarjo replied: "The regulations are always carried out strictly. This fact is known to my superior in Tanjung Priok."

The accusation was made by Mr. Nicholas Phillips, QC, for Orin Insurance, on the fifth day of an action in which Fuert Day Lawson, commodity shippers, are suing Orin as representative of 20 underwriters. The underwriters had refused to meet a claim for the missing cargo.

Hundreds of drums supposed to contain the scented oils were shipped from Tanjung Priok, but were found to be full of water when they arrived in Europe.

Fuert's claim against the underwriters amounts to sterling totalling £17,664.

U.S.\$512,693 pins claims in. Asked if it would have been possible for thieves to replace the drums of oil with drums of water before they were loaded on a ship, Mr. Soetiarjo said: "They would have to know beforehand the hours of patrolling and when the customs officer has a break."

The case continues today.

Consumer chief urges more attention to public's needs

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A STRONGLY-WORDED appeal to government and industry to pay more attention to consumers' needs as a way to solve Britain's economic problems was made yesterday by Mr. Michael Shanks, chairman of the State-financed National Consumer Council.

Mr. Shanks, writing in the NCC's annual report published yesterday, said that the interests of consumers are central to the country's economic and social well-being.

"If politicians, industrialists and trade union leaders stopped patronising consumers and paid real attention to their needs, there is a chance—no more than a chance, but a real one nevertheless—that this country would slough off its despair and achieve the regeneration it so richly deserves," Mr. Shanks said.

"The growth of the mixed economy requires increased consumer strength and influence if we are not to drift willy-nilly into the sclerosis of the corporate state."

He urged the Government to keep a closer watch on both private and public monopolies. "The rising volume of consumers' complaints about nationalised industries will be checked only

if these industries—largely protected from the chill winds of competition—become more responsive to consumers' needs."

He suggested that the Government give stronger authority to the nationalised industries' consumer councils and to put consumer representatives on the boards of these industries. Mr. Shanks pointed out that these NCC proposals were endorsed by the House of Commons Select Committee on nationalised industries in the last Parliament.

Although Mr. Shanks welcomed the strengthening of competition advocated by the Government, he is concerned by the loss of a Cabinet-level minister for consumer affairs. "We fundamentally regret the withdrawal of direct government aid for advice centres."

Meanwhile, the National Federation of Women's Institutes said yesterday they were willing to work closely with Mrs. Sally Oppenheim, Minister for Consumer Affairs, in identifying grass-root consumer reaction to specific proposals.

The federation, however, added that it lacked funds for this so it will have to allocate money according to its resources and priorities.

Businessmen's phone-user group hits at tariff rise

BY JOHN LLOYD

THE ASSOCIATION of Telecommunications Users, a new pressure group formed to represent the interests of large telephone users, yesterday attacked the proposed telephone tariff increases which will be phased in from the end of this month.

The association says there are "three fundamental weaknesses" in the tariff package—lack of time for consultation with the Post Office Users' National Council; lack of information on reasons for the increases; and misleading statistics on them.

Lack of time to consult is a complaint voiced in the past by the users' council. The Post Office said yesterday that it had given the council, the only body that was legally obliged to consult, full information on the package.

The association's main complaint is that the burden of in-

creases will fall disproportionately on business users, especially on those leasing private circuits. The most numerous leasers of private circuits are City companies, such as banks, stockbrokers and insurance companies.

"Between January, 1974, and 1979 the retail price index will have increased by about 140 per cent," it says.

Over the same period, besides the vast increase in local STD calls, the cost of connecting some private circuits will have gone up by 200 per cent.

Claiming to have received about £20,000 already from supporters, the association will formally constitute itself next week. It was thought earlier that the Telephone Users' Association, which has existed for some years, would merge with the new organisation, but this is no longer certain.

Closure of Viyella mill threatens 800 jobs

BY RHYE DAVID

A TOTAL of about 800 people are expected to lose their jobs as a result of the closure of Carrington Viyella's A. S. Orr mill at Bamber Bridge, near Preston. The factory, which makes Evvarest garments, has recently been modernised.

The company is understood to have been losing money for some time and is working a four-day week. Workers are understood to have been told of the management's decision.

The closure comes at a time when UK garment manufacturers are finding it increasingly difficult to compete in mass-produced items against foreign low-cost suppliers. Courtaulds announced last month the closure of a men's jacket factory in Liverpool, with the loss of 500 jobs.

Foden to cut workforce

FODEN, the lorry-making group, which in August revealed a loss of £582,000 for the financial year to March, is expected today to announce cuts of several hundred in its 3,000 strong labour force at its plant in Sandbach, Cheshire. The group, which successfully fought off a takeover bid by Rolls-Royce, two years ago, has been affected by problems in overseas markets, strikes and organisational difficulties associated with the introduction of new manufacturing facilities and a new range of vehicles.

Ministry blamed

THE GOVERNMENT was to blame for costly planning delays, said Mr. Geoffrey Booth, new president of the 12,000-strong Royal Town Planning Institute, giving his inaugural address in London last night. The Environment Department could take up to three years to process planning reviews, he said.

Moving North

THE GOVERNMENT is expected to announce formal plans next week to move 1,200

Civil Service jobs in the Health and Safety Executive from London to Boodle as part of the final stage of the dispersal programme.

Banks' pact

BRITISH Insurance Brokers' Association yesterday announced that it had reached agreement with the banks that private financial information must not be passed to the banks' insurance salesmen.

Prestel plea

THE GOVERNMENT should encourage the use of Prestel, the Post Office's viewdata information service, said Mr. Ivor Cohen, managing director of Mullard, the UK electronic components company. Prestel sets should be used "in large numbers" in government departments.

Australian deal

IPEC TRANSPORT GROUP, an Australian company specialising in urgent freight deliveries, has taken over the Sayer Transport Group of Britain, for £3m. Sayer operates an express delivery service from London.

Ministry blamed

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Iran troubles force up prices

SOTHEBY'S Islamic week continued yesterday with a sale of rugs and carpets. Although some of the finest items were withdrawn just before the auction, demand was better than expected and the total of £399,050 topped the high estimate.

The bought in percentage of 15 was good for a sale of this kind, given the situation in Iran. The shortage of carpets coming out of that country probably accounted for the fairly high prices.

Khan gave £14,500 (plus the 10.8 per cent buyer's premium and VAT) for a Tabriz silk carpet and Mused paid £13,000 for a Kuni Kapour prayer rug. A Tehran part silk carpet realised £8,500 and a Tabriz silk prayer rug, £3,200.

The three-day children's books sale at Chancery Lane began with highest prices of £280 for "In Fairyland" by Richard Doyle, a first edition of 1870, and £230 for "The famous history of Guy of Warwick," and

others, of around 1820. Sotheby's Belgravia sold oriental works of art, and A. and F. Gordon paid £1,900 for a four-fold screen. The same sum secured a large Canton bowl of 1870.

Bonhams began a two-day auction of medical books. "Anatomy of the human uterus" by William Hunter, a first edi-

Valuable exports 'ended at Wapping'

SIX MEN in a road haulage fraud made £285,000 when they failed to deliver £500,000 worth of valuable exports, it was alleged at the Old Bailey yesterday.

In 1975 and 1976 a large number of consignments of freight entrusted to the men's companies failed to reach their destinations in the Middle East and south-east Europe, said Miss Jean Southworth, QC, prosecuting.

Some got no further than Bow or Wapping.

The men variously deny 17 charges of fraud in connection with their companies, Cantrell Haulage; Highway Continental Trucking Company; J. and E. Hosser Transport, all of Bow; and Interex International, of Ilford, Essex.

The defendants are Geoffrey Allen, 35, Hackney Cab public house, Hackney Road, Bethnal Green; Anthony Garner, 36, Sleaford House, Blackrobert Street, Bow; Robert Cook, 36, Braemar Road, Plaistow, East London; Dennis Sully, 44, Forest Farm, Romford Road, Collier Row, Essex; Peter Bettis, 45, Dormie Close, Kings Norton, Birmingham; and John Hogger, 36, Bantry House, Ocean Estate, Stepping.

Miss Southworth said that the six netted the money by charging forwarding agents "uplift" to carry the goods through to their destinations. The loads were subcontracted to the defendants' companies.

Fifteen companies were involved, including Britlib Leyland and Courtaulds, and the exports ranged from electrical equipment to pharmaceuticals.

"Never a single trailer reached its destination, nor did a container," said Miss Southworth. "Some of them were damaged."

Three loads were abandoned in a car park in Rotterdam, and three in northern France. Three made "the enormous distance" to Ravenna, Italy. But they should have gone to Greece.

The trial continues today.

Electricity cut-offs rise predicted

By Lisa Wood

THE LONDON Electricity Board yesterday forecast a rise this winter in the number of consumers whose electricity supplies will be disconnected because of debts.

At any one time about 5,000 of the LEB's 1.9m customers have supplies cut off because of failure to pay bills.

At the end of August it announced the cost of electricity would increase by more than 8.8 per cent for domestic consumers.

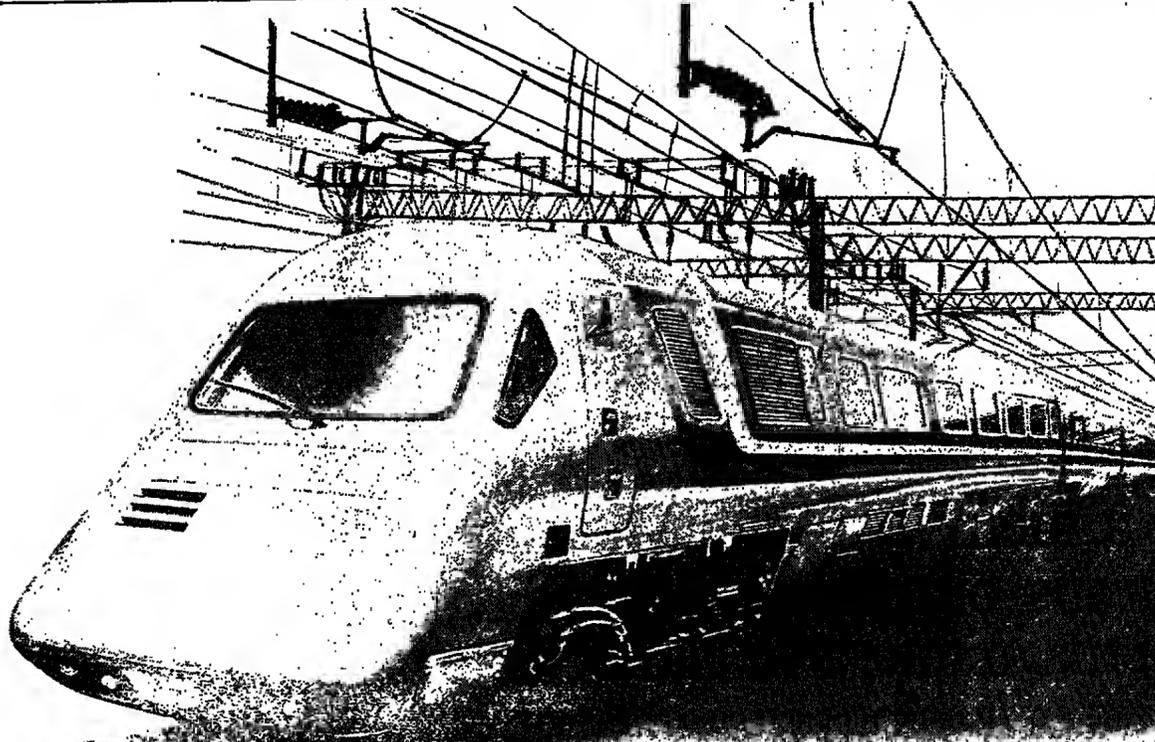
Mr. Alan Plumpton, LEB chairman, said yesterday he was worried at the increasing trend to regard electricity boards as "faceless, remote and un-caring organisations" concerned only with raking in money and indifferent to problems of the customers who have to pay the money.

He said it was true the LEB had recently tightened up procedures to catch non-payers and to speed up slow-payers. "But that does not make callous or uncaring," said Mr. Plumpton.

"We have got to be tougher about collecting money owing," said Mr. Plumpton. "This has brought to produce criticism but we want our customers to know why we have to do this."

Mr. Plumpton said bad debtors were generally not the old who budgeted carefully and paid their way. He cited a single parent with seven children who used electricity for heating as an example of our customers are living at standards they cannot afford," he said.

Mr. Jim Smith, LEB's financial director, said nobody had their supply cut-off without the opportunity to discuss methods of payment with the LEB and put a case of hardship forward.



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before oil everywhere is in short supply. At present, only twenty one per cent of our railway network is electrified. To provide a viable means of mass transport for our fuel starved future, we need to continue the work of main line electrification. So that when the oil dries up, the nation won't seize up.



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Inflation in consumer prices 'up by 17.1%'

BY MAURICE SAMUELSON

INFLATION IN consumer prices has risen by 17.1 per cent in the past year, of which 4 per cent results from the last Budget, says a survey published today.

It has had its greatest effect on the average family living in a three bedroom house. Such a family needed an income rise of 22.6 per cent in the past year to maintain its standard of living, even after tax cuts are taken into effect. This would bring its income to £4,555 a year.

A family of two adults and two young children in a three bedroomed detached private house needed a rise of 28.3 per cent, bringing its income to £9,988.

The figures are published in the four-monthly cost of living survey by Rewards Regional Surveys, which analyses the major expenditure sections of eight different family budgets.

For all families, including council house tenants and owners of large detached homes, the increase of income needed to keep pace with inflation was 19.4 per cent. This contrasts with figures in the

Government's tax and price index which shows an annual rise of 13.4 per cent in August.

The only families which benefited from the Budget were those in the upper income bracket, which owned a large 5/6 bedroom house bought on a 60 per cent mortgage of about £33,500. It could now maintain its previous life style at 8.1 per cent below its earlier expenditure, thanks to the tax cuts in the budget. Its expenditure would be £30,549.

Housing and transport have been the main factors in the inflation rise, with petrol prices rising 55 per cent in the past year, and house prices up 29 per cent in the past year and 11.2 per cent since May. General transport costs have risen 12.2 per cent in the last four months and 21.2 per cent in the year.

"The direct tax cuts have, generally, fought a temporary losing battle against price rises except for those on very high incomes," the survey says.

Apart from those in the highest income bracket, the only others benefiting from the tax cuts are those people in a council house earning the

national average wage. Their prices inflation rate has gone from 15 per cent to a real 14.4 per cent.

As the value-added tax increases and direct-tax changes become absorbed, the survey adds, "the main worry must be the probability of a further increase in January of the mortgage rate. If this does not happen, then our February report could well begin to show evidence of a gradual fall in inflation."

The benefits enjoyed by the top earners from the cuts in income-tax have reduced the attraction of "perks" like company cars. A person earning about £20,000 has lost £1,500 in the benefit value of a company car.

Dealing with housing costs, the survey says that the average three-bedroomed terraced house in the South has passed the £20,000 barrier, while in the Midlands and North £10,000 has yet to be reached. The latest house price increases, of 11.2 per cent, are the highest ever for a four-month period.

The survey's advice is: "Discard your company car, move North and earn as much as possible, preferably by increasing productivity to pay for it."

Cost of Living Report, Rewards Regional Surveys, 1, Mill Street, Stone, Staffs, CV2.

Urgent talks sought over shortage of aircraft fuel

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BUSINESS aircraft users have asked the Department of Energy for an urgent meeting to discuss the shortage of Avgas, the fuel used in piston-engined small aircraft.

The General Aviation Manufacturers' and Traders' Association said yesterday that many airfields have been without supplies of the fuel, including Heathrow, Liverpool, Leeds, Manchester and Newcastle, and on some occasions aircraft have been stranded.

The association said yesterday that out of total aviation fuel consumption of about 1.2bn imperial gallons a year, 98.8 per cent was jet fuel (Avtur) used by the airlines.

Avgas accounted for only 1.2 per cent of consumption, or about 6.5m gallons.

Of that only 63 per cent was used in business aviation, the rest being used in sport and recreational flying, training, agricultural, survey and other work.

"In fact, the general aviation requirement for aviation gasoline (Avgas) amounts to only three tea-spoonsful for every

gallon of oil-based fuel used in Great Britain," said GAMTA.

It said that there were now only two suppliers of Avgas in the UK, Shell and BP, both of whom claimed that the Avgas side of their operations was non-profitable.

"BP, however, appear to be more willing or more able, to meet the needs of their general aviation customers."

The association pointed out that general aviation in the UK, including business flying, accounted for a fleet of over 5,000 aircraft.

This included business aircraft used by many of the country's most successful industrial companies; by over 140 small airline and air-taxi operators carrying over 1m passengers a year; by over 150 flying schools, clubs and other training establishments and by agricultural aircraft.

GAMTA said that it was asking for a meeting with the Department of Energy, Shell and BP, to try to get firm guarantees of continued supplies of Avgas.

Heseltine's second sector for private housing

NEWS ANALYSIS—MICHAEL CASSELL ON TORY RENTAL PLANS

MR. MICHAEL HESELTINE'S announcement to the Conservative Party conference of an experimental scheme to provide new housing for private renting outside the provisions of the Rent Acts is a further move in the Government's campaign to breathe new life into a section of the housing market which it believes has been strangled by legislation.

Unlike Ministers in the last Government, who openly described the private rented housing market as "a dead duck," Mr. Heseltine and his colleagues are convinced that private rental accommodation has an important role to play alongside expansion of home ownership.

He yesterday repeated his pledge to introduce a new system of short fixed-term tenancies during which tenants would have complete security of tenure.

About 2.5m homes are estimated to be in the private rented market, nearly 2m fewer than in 1960. Today they account for about 15 per cent of total housing stock compared with nearer 90 per cent before the First World War.

The process of depletion, accelerated by Labour Government legislation which aimed to kill off bad landlords, is continuing, with an estimated

120,000 homes a year removed from private rental.

Growing numbers of private landlords have been forced out of the rental market by rent controls and difficulties in regaining possession from tenants.

Under present provisions, no resident landlord who grants a proper weekly or monthly tenancy may evict his tenant without being liable to go to a rent tribunal, which may grant a six months suspension of any eviction and then extend the period indefinitely. Subsequently the landlord must obtain a court order for possession if the tenant does not leave of his own accord.

The Government does not intend to remove many of the protective clauses for tenants in the Acts but the Tories have long maintained that in squeezing the available supply of rented accommodation the law is acting against the best interests of many people it was designed to help.

The forthcoming Housing Bill, due before the end of 1979, is expected to include measures to loosen some of the more restrictive elements of the existing Acts and it is in this Bill that Mr. Heseltine's latest proposals will be.

Accommodation would be let

at commercial rates (not the outset an agreement which broadly follows the pattern set for business rents under the Landlord and Tenant Act of 1954).

On expiry of a lease, new agreements would be drawn up at prevailing rental levels by consent or by resort to arbitration.

The Department emphasised the experimental nature of the plan and emphasised that longer-term success would depend largely on some element of political consensus on the matter.

Ministers know that a threat from the Opposition to kill off if returned to power, any system of economic rental agreements open to regular review would seriously jeopardise the progress of the scheme.

Under the scheme specific operations would be licensed to rent accommodation subject to the new agreements, and licences withdrawn if landlords abused the system.

The Government clearly has building societies in mind as major participants in the new programme. They have been consulted.

But it seems unlikely that at this stage many societies will wish to play a major role in the scheme.

Public statement on company accounts

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

THE ACCOUNTANCY profession has made a rare public statement on the objectives of company accounts.

According to Mr. Douglas Morphet's Inflation Accounting Steering Group, "their primary purpose, apart from providing an account of stewardship, is to provide guidance to management, investors, creditors, and others on the financial state of the business and the current financial results of its operations."

The steering group charged with drafting an inflation accounting standard, said this in a background paper on the thinking behind proposals published earlier this year for discussion.

The discussion period, now virtually over, will be followed by a series of public meetings next

month. The steering group will then have several weeks to complete proposals for submission to the profession's Accounting Standards Committee.

After ASC and the six main accounting bodies have approved the document, Britain's first inflation accounting standard is expected to emerge, probably in March next year. It will require quoted and other large companies to publish supplementary inflation-adjusted data for financial periods beginning on and after January 1, 1980.

"The Inflation Accounting Steering Group's Background Papers to Exposure draft 24 on current cost accounting, Publications Dept., Institute of Chartered Accountants in England and Wales, Price £1.75.

Massive denationalisation call by Bow Group

BY JAMES McDONALD

A BLUEPRINT for denationalisation during the next 10 years of Conservative Government is outlined in a Bow Group pamphlet published today.

Previously, says the paper, the debate about nationalised industries has largely been about public ownership. For the first time the paper claims to approach the subject from the standpoint of economic and industrial logic and argues that "the primary issue is that of monopoly versus competition."

In the next five years the Bow Group blueprint for denationalisation recommends several sweeping initiatives. They include the sale of electricity and gas showrooms, the sale of British Rail hotels and the National Freight Corporation; the return of British Aerospace to the private sector; elimination of the Post Office monopoly on letter post; and licensing the operation of post offices to private businessmen.

Sale of all British National Oil Corporation's assets is included in the package, together with the introduction of private electricity generation for sale. It also wants private enterprise to be licensed to explore and mine coal.

In the five years following the next election, assuming the Conservatives win, the paper suggests the conversion of the public telephone and rail networks into private, regional, regulated companies.

The author of the paper says the greatest scope for reducing the public sector lies in imaginatively parcelling up bits of nationalised industries for sale, regulation or licensing to the private sector.

"The time is right for the Tory Government to roll back the tide of public monopoly with a radical and imaginative approach to the problem."

"Public Monopoly and Private Enterprise," by John Fielding, Bow Publications, 240 High Holborn, London, WC1E 6E.

Computer fault-finder wins innovation award

BY NICHOLAS LESUE

A DEVICE that monitors computer systems for faults has won the £20,000 first prize in the Innovator of the Year competition sponsored by Technical Development Capital, a leading venture capital company.

The system, called Autotest, has been developed by Macwell Systems of Walthamstow, London. In effect a computer itself, it constantly monitors computer terminals physically removed—perhaps hundreds of miles away—from a main-frame computer.

A coding system enables non-technical personnel to identify from a manual where the fault has occurred.

Three runners-up in the competition received £5,000 each yesterday from Lord Seeborn, chairman of Industrial and Commercial Finance Corporation, the parent company of TDC.

They are: Transaction Security, which has developed a computerised signature verification system based on a product originally developed by the National Physical Laboratory; Coyman (Power and Safety) hydraulics, whose pipeline wave joint, called Kemjoint, will be patented; and Hirthoem, which has developed a low-cost struc-

tural beam made of galvanised steel and hardboard.

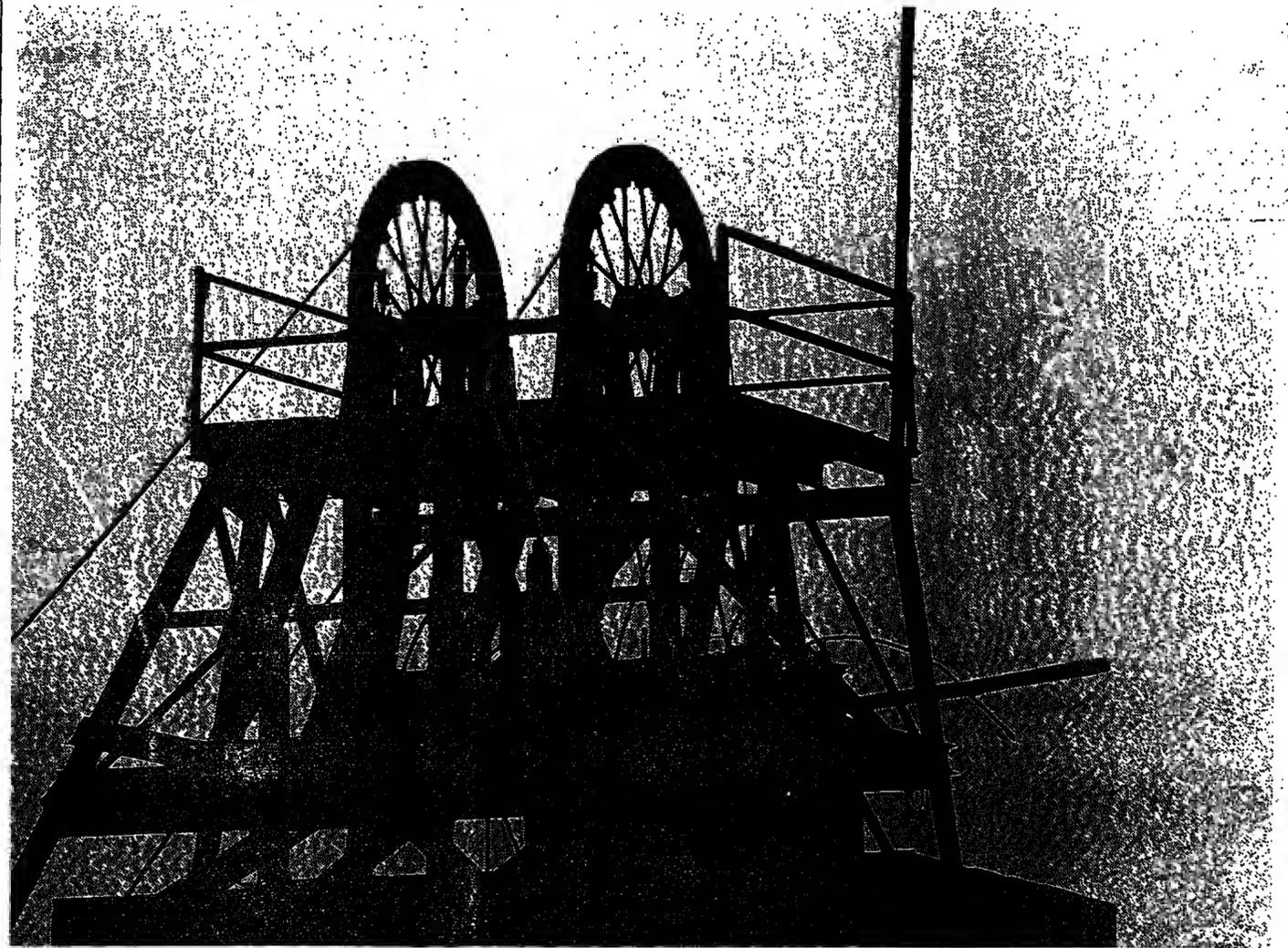
Macwell developed Autotest to improve its financial position, particularly its cash flow.

The company's two founders, Tony McLennan, 30, and Alan Powell, 30, moved from consultancy into manufacturing with a device called Network Management Systems which allowed users to by-pass a faulty line on a mainframe computer.

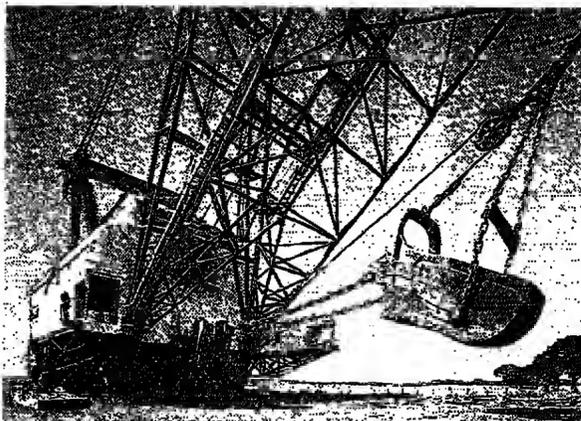
But with each device selling for between £5,000 to £15,000, it was costly for Macwell, a small company, to finance. Since developing Autotest, which costs £850, the two directors have been joined by Terry Sullivan, 43, as financial director.

At the awards presentation Lord Seeborn maintained that it was unlikely that there was, as often suggested, a venture capital "gap" in the UK. Capital was available for those who, in the subjective judgment of ICF and TDC, presented worthwhile projects.

He also maintained that entering competitions such as the Innovator Award benefited competitors since they had to prepare a three-year business plan which "sharpened the mind." Many former competitors had done well subsequently, he said.



BICC—people who make things work in mining



Big Geordie, Western Europe's largest walking dragline excavator, powered through an 11kV 3 core unarmoured trailing cable over a mile in length specifically designed and supplied by BICC.

BICC is extensively involved in the mining industry both below and above ground as a major supplier of electric cables, accessories and equipment for communications, power and data transmission and control in some of the most hazardous and difficult areas in which men have to work.

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communication equipment and cabling, and at Treacly open-cast mine BICC trailing cables feed power to the giant excavator used to extract rock overburden and expose the coal. At Morpeth in Northumberland, 'Big Geordie', Western Europe's largest walking dragline excavator, is equipped exclusively with specially designed BICC mains and trailing cables.

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BICC keeps things moving, keeps things working, safely underground.



Making it work in mining

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UK NEWS

TWO MEN IN CONTRASTING FIELDS SEEK END TO INFORMATION BARRIER

Workers 'must face economic facts'

BY ARTHUR SMITH

MANAGEMENT must "break down the communications barrier" and make workers aware of the economic facts of life. Sir John Greenhough, president of the Confederation of British Industry said in Birmingham yesterday.

Sir John said wage claims of between 20 and 65 per cent were being lodged. The facts of life had to be brought home to workers if Britain was to arrest the upward spiral with conviction and persuasion that company profitability in real terms is already squeezed to the limit: that if they continue to strike for higher wages it will inexorably lead to fewer jobs and rising prices.

Management had to do more to bridge the credibility gap between workers' and employers' interests, he said. "After all, long-term they are identical. For too long we have been beset by the adversary conflict in industrial relations."

But productivity was a nebulous term, he said. "To were the same and that growth was only achieved when everyone pulled together."

many people it smacks of working longer hours for the same pay. We know it means working more efficiently, making better use of our resources, but our workers do not."

Difficult year ahead for UK newsprint, say stockholders

BY JOHN LLOYD

THE UK paper and newsprint industry, threatened by domestic recession and fierce competition from foreign imports, faces difficult times ahead, say stockholders.

uses a high proportion of waste paper, with a more stable price than wood pulp. However, the company sees a tightness in the board market and believes a price rise is likely soon.

TABLE 2: IMPORTS AS A PER CENT OF TOTAL CONSUMPTION

	Coated and Printings	Case and Making
1969	51	20
1970	59	23
1971	71	34
1972	73	38
1973	77	40
1974	75	45
1975	75	46
1976	76	48
1977	77	49
1978	78	51

On the various sectors, the report is generally more gloomy than the industry. In newsprint, "Canadian producers are extremely profitable and hence very competitive. As we believe, the world newsprint consumption shows no growth in 1980 at a time of expanding world capacity, the Canadians should use this price advantage to increase market share in the UK."

prices will come under pressure and UK producers will find it difficult to recoup cost rises. "Given this background," says the report, "most UK paper companies are likely to report significantly lower profits in 1980."

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Fees for planning applicants opposed

BY ANDREW TAYLOR

THE GOVERNMENT should not introduce charges for the processing of planning applications, particularly those from householders, the Council for the Royal Town Planning Institute said yesterday.

Mr. Michael Heseltine, Environment Secretary, has said that he will investigate the possibility of introducing planning application charges. He is also to consider whether to remove the need for planning permission altogether for smaller residential projects.

Protectionism is not the answer—Parkinson

BY PHILIP RAWSTORNE

PROTECTIONISM WILL not provide solutions to the problems of British industry. Mr. Cecil Parkinson, Minister for Trade, said yesterday. He reaffirmed the Government's "total support" for an international system of open trading and a more flexible and competitive market economy in Britain.

At the end of it all, there is no likelihood whatever that British industry would respond better to protectionism since this would only have the effect of lifting the competitive pressures on our manufacturers," he added.

Call for watch on Whitehall

BY LISA WOOD

IT COULD NOT be left to government departments concerned to decide whether it was legitimate to withhold information, Lord Croham told an Institute of Directors meeting in London yesterday.

Allen, was head of the Home Civil Service and Permanent Secretary to the Civil Service Department.

tion accepted by the Government and prescribed by the law. He was not, however, in favour of a Freedom of Information Act. Neither, he said, would the total repeal of the Official Secrets Act do very much for open government.

Certificate won at first try

BY PHILIP RAWSTORNE

Along with the aid of public money increasingly draws the life blood from the more competitive sectors of the economy.

BISON CONCRETE (Scotland) has become the first Scottish pre-cast concrete company to win a British Standards Institution certificate of assessed capability—at its first attempt.

More worker participation urged

BY JASON CRISP

THE British Institute of Management urges companies to adopt a more participative style of management in a new code of practice published today.

The BIM code says that any measures to promote employee participation should:

able for the implementation of its policies, but they are also employees in their own right and should be consulted just as much as any other group of employees:

Scotland looks for new U.S. industry

By Ray Perman, Scottish Correspondent

SEVERAL U.S. companies will announce plans for new or expanded plants in Scotland within a few months, Mr. Alex Fletcher, Scottish Office Industry Minister, said in New York yesterday.

Trade deficit 'may be desirable'—Powell

BY MAURICE SAMUELSON

MR. ENOCH POWELL yesterday poured scorn on the notion that North Sea oil revenues were "helping" the UK's balance of trade and said that a balance of payments deficit was "potentially desirable."

Mr. Powell described the UK's trade deficit as "a precious possession," and he said that if there was a deficit on current account, there was an equal surplus on capital account.

Council to seek work for Shotton employees

BY MAURICE SAMUELSON

CHESHIRE County Council is to help find jobs for workers affected by the proposed closure of the Shotton steel works. Of the 10,000 workforce, 1,250 live in Cheshire, and many may lose jobs.

No to link road

BY MAURICE SAMUELSON

THE Transport Department has abandoned the Bilston West Midlands link road scheme due to estimated costs of £30m. The scheme would have provided a 4½ mile feeder road in the Birmingham area from the A4123 to the M6 motorway.

Ulster unions urge job drive

BY OUR BELFAST CORRESPONDENT

ULSTER'S trade union movement yesterday called for a state development body to co-ordinate activities of the province's government departments and job creation agencies.

agency involving a major redistribution of functions among agencies and departments. This would require changes in statutes and regulations and could not be achieved quickly.

ment. It will also appeal to the Government not to end the county's status as an intermediate development area, which would deprive it of industrial grants of more than £1m a year. It is due to lose this status in August, 1982.

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مكتبة المجلس

Strike over disaster report

Financial Times Reporter

THE 880 men at Golborne Colliery near Wigan — scene of the disaster in which ten men died in March — went on strike yesterday in protest at the official report on the tragedy, published on Tuesday.

The investigators revealed that the accident resulted from a breach of safety regulations. Electrician Mr. Colin Dallimore, 29, of Plattbridge, Wigan, was said to have tested a live circuit — an operation which should not have been carried out.

It happened during routine work at the 134-year-old pit and the spark it created ignited a large amount of concentrated methane gas which had accumulated over a period of up to 15 hours because a ventilation fan broke.

Mr. Dallimore, who had been called in on his day off because others had not turned up, was killed instantly. Only one person survived.

Mr. John Roberts, National Union of Mineworkers branch secretary, said: "There was a feeling of anger among the men that the burden should be placed on one family."

"The emphasis has been placed on the electrical spark and the fact that you can have an accumulation of gas as long as you do not have a spark. The other side of the coin is that there should never have been the accumulation and without it the spark would not have mattered."

A Coal Board spokesman said: "The strike is entirely a union matter arising from the report and attendant publicity."

Board rejects miners' move

BY PHILLIP BASSETT, LABOUR STAFF

THE MINERS' determination to bring forward their pay settlement from next March to this November ran into stiff opposition yesterday from the National Coal Board.

Though the board, in its first response to the National Union of Mineworkers' claim, indicated it was prepared for some flexibility on the settlement date, negotiators told union leaders that they could not agree to bring the date forward from March to November.

Mr. Cliff Shephard, board member for industrial relations, said that a new agreement just over half-way through the financial year would place an impossible financial burden on the industry. Further price rises, on top of the 19 per cent increases which will be sustained by both industrial and domestic consumers this year,

would be inevitable. The board stressed that its financial turn-out for the current year and prospects for the next were not yet known, though meeting the full claim would be likely to add £700m to the miners' present £1.5bn wage bill.

If the cost of the full claim was passed on to customers the average pithead price of coal would rise by £7 to £23 a tonne. Movement in the settlement date, which has been part of the NUM's last four pay and conditions claims, has been forced to the top of the miners' shopping list this year mainly by the strength of the union's Left wing.

The board said that any movement would have to be within the cost of a normal 12-month settlement. This would seem to offer the miners a choice of

balancing some movement in the date against the size of the basic rate increases they might otherwise have achieved.

Mr. Joe Gornley, NUM president, said he regarded the board's indication of flexibility as important, but the union wanted to know exactly how far the board would go.

He criticised the board for not coming forward with a specific reply to the claim. The union would expect at the next negotiating meeting on October 31 that the board would put "flesh on the bones" by talking about money.

The board did go some way towards dispelling union fears that recent settlements, including those of the police and in the electricity supply industry, threatened the miners' position at the head of the pay league by stating that maintaining the

miners' position was its "objective".

The continued viability of the industry and its expansion, must not be undermined by the cost of wages and salaries.

The miners' executive will discuss the board's response to its claim today and though Mr. Gornley agreed that it was possible it could break off the negotiations after the board's response, it was likely the miners would continue talks.

The claim seeks rises of between 30 and 65 per cent in basic rates, to take the minimum surface rate from £81.35 to £80 a week, and the top coal-face from £24.95 to £140 a week. It also includes seeking improvements in allowances, an examination of the four-day working week and a scheme for protecting earnings when miners switch jobs within the industry.

Chapple on Labour liaison committee

BY OUR LABOUR STAFF

MR. FRANK CHAPPLE, the electrician's union leader who withdrew from the Labour Party conference following the open in-fighting between Left and Right, is to sit on the TUC-Labour Party Liaison committee.

This follows his election yesterday to the TUC's "Neddy Six" and therefore on to the National Economic Development Council.

Mr. Chapple, chairman of the fuel and power industries committee, was elected onto the Neddy Six on the casting vote of Mr. David Basset, the new chairman of the TUC economic committee, following a tied vote.

The TUC is writing to Sir Geoffrey Howe, Chancellor, expressing its total opposition to the selling off of BP shares. The move followed a meeting between the TUC's fuel and power industries committee and Mr. David Howell, Energy Secretary, at which Mr. Howell said it would be impossible to give assurances that foreign interests would not buy some of the shares.

Vauxhall drivers defy 'attackers'

BY PHILLIP BASSETT, LABOUR STAFF

LORRY DRIVERS at Vauxhall Motors' Luton plant declined yesterday to continue ferrying components to the plant from picketed east coast ports despite alleged attacks on drivers.

The drivers, members of the Transport and General Workers' Union, decided to carry on transporting the components from West German and Belgium factories after Mr. Peter Ashworth, TGWU convenor, said it would be a blow against democracy if the parts did not get through.

He told a drivers' meeting that the alleged attacks "were not trade unionism — it's gangsterism."

The TGWU at Luton and Dunstable has accepted the company's 17 per cent pay package, though both the TGWU and the AUEW at the Ellesmere Port plant have not — and are in the sixth week of a strike which has closed the plant.

Ellesmere Port workers have picketed east coast ports to prevent cars and components from entering the country, particularly at Harwich, though the Harwich Dock Company has obtained an injunction restraining them and Mr. Grenville Hawley, TGWU national automotive secretary, has given instructions that the picketing must stop.

The lorry drivers' decision follows an alleged incident at Coggeshall, ten miles west of Colchester on the A120, the main route to Harwich for Luton drivers.

Two lorries from the Luton plant were stopped at temporary traffic lights at a roadworks, where two minibuses loaded with men were said to have blocked the road. The lorry drivers were then said to have been hauled from their cabs and told not to return to the picketed depot at Harwich until the dispute was over.

A large police escort was eventually provided to take a convoy of lorries into Harwich and back to the Luton plant. Ellesmere Port pickets denied knowledge of the incidents.

Notices have also appeared in Luton bearing the message: "Luton bearing the message: Luton drivers—we've got your numbers."

The dispute has seriously damaged relations not just between the Ellesmere Port unions and the company but between the unions there and at the other two plants. Ellesmere Port unions are pressing for the full union claim of 25 per cent increases on basic rates.

Technology 'will hit female workers'

BY GARETH GRIFFITHS, LABOUR STAFF

THE INTRODUCTION of office technology without proper consultation could reverse the recent expansion in female employment an adverse a disturbing social effect, according to Mr. Roy Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staff.

Mr. Grantham told a London conference on unemployment and technological change in the 1980s that consultation and negotiation at company level should be standard practice for the introduction of new equipment.

Manpower Services Commission findings on the effects of equipment such as micro-processors suggest that 200,000 female clerical jobs could be lost by 1982 he said. Trade unions must throw their strength into the fight to prevent women office workers from becoming

the scapegoats in the reckless implementations of computerised technology.

"The question to be resolved will increasingly be one distribution of income and employment in the number of hours in this shall not lead to a society where an elite of highly skilled workers is divorced from an unproductive alienated mass of

unemployed," he said. Managements should be prepared to disclose proposals for product and process applications at the earliest stage and introduce in particular a reduction in the number of hours in the working week.

Dr Ron Johnson, director of training for the Manpower Services Commission, said there was a need for a more serious examination of new technological potential on a sector by sector basis.

New training priorities should be established. Britain had a higher percentage of young people entering the labour market with no qualifications than other major western countries.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail value (1975=100); registered unemployment (excluding school leavers) and milled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Vacs.
1978							
2nd qtr.	110.7	104.5	96	107.9	254.4	1,367	213
3rd qtr.	111.6	105.1	104	110.7	266.6	1,280	213
4th qtr.	110.0	102.7	112	111.7	273.0	1,340	230
1979							
1st qtr.	109.6	102.0	100	110.2	176.4	1,351	224
2nd qtr.	115.0	107.5	105	116.7	297.3	1,299	225
March	113.2	107.7	101	110.2	281.1	1,258	226
April	113.2	106.0	100	115.4	290.6	1,311	250
May	114.7	106.7	109	113.5	289.2	1,307	257
June	117.1	109.8	107	120.3	309.3	1,280	262
July	116.4	108.1		108.7	294.4	1,279	253
August				111.5	304.3	1,265	246
Sept.						1,264	243

OUTPUT—By market sector consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mfg.	Textile etc.	Hous. starts
1978							
2nd qtr.	108.0	98.0	122.2	99.7	106.3	101.3	27.1
3rd qtr.	108.4	98.3	122.5	100.5	99.4	103.7	23.0
4th qtr.	105.8	96.7	124.0	96.9	99.0	103.2	20.2
1979							
1st qtr.	105.3	98.6	125.4	98.5	98.5	98.7	12.9
2nd qtr.	108.4	104.0	133.2	103.8	110.8	101.4	21.3
March	110.0	107.0	131.0	103.0	114.0	102.0	15.9
April	107.0	102.0	130.0	102.0	110.0	100.0	18.5
May	108.0	104.0	132.0	103.0	107.0	101.0	20.0
June	110.0	106.0	137.0	106.0	115.0	103.0	25.4
July	108.0	106.0	135.0	106.0	113.0	99.0	22.5
August							18.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance (£bn); current balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn
1978							
2nd qtr.	122.2	109.7	-0.2	+0.2	-414	104.9	16.78
3rd qtr.	124.8	114.3	-0.4	+0.4	-461	106.1	16.58
4th qtr.	124.8	112.3	0.0	+0.4	-480	106.9	15.77
1979							
1st qtr.	110.0	118.0	-1.6	-1.2	-237	107.7	16.78
2nd qtr.	124.0	135.0	-1.1	-1.1	-210	108.0	21.69
March	117.0	129.0	-0.7	-0.5	-97	107.4	17.45
April	129.0	135.0	-0.3	-0.3	-114	108.0	21.47
May	134.0	137.0	-0.4	-0.4	-94	108.0	21.53
June	130.0	133.0	-0.3	-0.3	-43	107.1	22.07
July	134.0	137.0	0.0	0.0	-41	109.3	23.49
August	132.0	130.0	-0.1	-0.1	-123	108.2	23.30
Sept.							22.75

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the prime sector, three months' growth at annual rate; domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank adv. %	DCE %	BS inflow	HP lending	MLR %
1978							
2nd qtr.	10.1	15.0	24.5	+2,980	694	1,506	10
3rd qtr.	17.3	8.1	8.6	+ 572	746	1,559	10
4th qtr.	14.9	12.0	8.6	+1,774	878	1,584	12
1979							
1st qtr.	7.6	9.4	32.6	+1,521	777	1,583	13
2nd qtr.	9.7	17.2	28.5	+2,708	777	1,869	14
March	7.6	9.4	32.6	- 321	257	826	13
April	16.3	6.4	19.2	+ 825	343	566	12
May	13.9	8.1	20.7	+ 996	309	622	12
June	14.2	17.2	23.5	+ 827	125	630	14
July	7.1	14.3	34.1	+ 442	229	630	14
August	5.9	12.0	29.6	+1,065	293	636	14

INFLATION—Indices of earnings (Jan. 1978=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1962=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings	Basic matls.	Wholesale mfg.	RPI*	Foodst	FT* comdty.	Strlg.
1978							
2nd qtr.	129.9	146.3	151.8	195.5	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	208.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.5	208.0	257.69	62.7
1979							
1st qtr.	140.2	152.2	161.6	204.9	218.8	268.58	64.1
2nd qtr.	147.3	161.3	168.9	216.5	225.2	283.55	67.9
March	143.7	153.8	163.2	210.5	220.2	288.83	65.0
April	146.9	158.4	168.5	214.2	221.6	277.11	66.9
May	148.9	161.0	167.7	213.9	224.0	279.20	66.9
June	150.9	164.6	170.9	219.6	230.0	282.55	68.3
July	155.5	165.4	174.8	229.1	231.2	278.92	71.9
August	166.7	178.3	230.9	221.8	230.04	290.04	71.3
Sept.	169.4	178.3			201.66		69.0

* Not seasonally adjusted. † Trade figures are quoted with less precision owing to industrial disputes.



David Taylor flew the flag to Johannesburg.

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UK NEWS — CONSERVATIVE PARTY CONFERENCE

Tory school of etiquette subdues its rebel pupils

BY ELINOR GOODMAN

YESTERDAY'S DEBATE on Rhodesia showed the very clearly defined limits of acceptable bad manners in the Tory Party. Basically, conference goers do not like scenes.

According to well-held Tory custom, it is acceptable to criticise Ministers. It is acceptable to make as much noise as you like about the Soviet threat and even accuse your leaders of "selling out."

Although he was cheered at the beginning of his speech, he gradually alienated his audience. By the end, the slow hand-clap had begun.

Looking like an earnest school prefect, he made his plea for an end to sanctions without doing anything either to undermine Lord Carrington's authority at Lancaster House, or upset Mrs. Thatcher, who presided over the whole debate like a headmistress determined that none of her pupils should do anything to spoil the school's reputation.

He begged the conference to oppose sanctions in the interests of the whites in Rhodesia. The star performer for the Right was, of course, their old war horse Mr. Julian Amery. Obviously hostile to the Left, he showed Mr. Wallace how it should be done, and proved that even if the Left had the best times, the Right has all the best clichés in the Tory phrase book.

Lord Carrington's hands remained folded. By the time Lord Carrington got up to reply to the debate, it was clear that the Right had shot its bolt. For the most part his soothing, undoubtedly aristocratic voice was listened to in silence. By the time he sat down, most of the delegates must have felt they too were party to the onerous responsibilities of Government.



Carrington defuses Rhodesia issue

LORD CARRINGTON, Foreign Secretary, scored a personal triumph when by an overwhelming majority the conference gave its backing to his attempts to obtain a Rhodesian settlement.

The thorny question of sanctions against Rhodesia, which comes up for renewal in November, was neutralised by the acceptance of an amendment agreeing that the Government should lift sanctions "as soon as is practically possible."

In spite of the vocal opposition to the Government's Rhodesian policy, only a scattering of hands were raised against the main motion when it was put to the conference. Apart from the amendment calling for the lifting of sanctions as soon as practicable, the resolution merely looked forward to the full recognition by the Government of a multi-racial government in Zimbabwe-Rhodesia in accordance with the Conservative election manifesto.

Lord Carrington admitted. "There are some who say that the conference has taken a long time. But I do not think that we have done too badly."

Nevertheless, a substantial number of delegates gave a standing ovation to Mr. Julian Amery, MP for Brighton Pavilion, who led the call for the early lifting of sanctions. He warned that if they were renewed in November then the Government would "have blood on its hands."



It's a glossary of forgotten terms like UDI, kith and kin, etc.

Lord Carrington was winding up a fiercely argued debate in which he faced repeated demands for the immediate ending of sanctions. He was strongly criticised for including the Patriotic Front leaders in the Lancaster House talks.

Catcalls

Throughout the heated debate there were frequent catcalls and shouts of "Rubbish" as speakers from the rostrum supported Government policy. But the worst reception was given to a savage critic of the Government, Mr. Ian Wallace, Tynesmouth Young Conservatives, who wore a red, white and green Rhodesian flag.

Lord Carrington, who received a standing ovation, told the conference: "I believe that the Government was right to try to get a settlement. We were right even at this 11th hour to seek to get the parties together. We were right to get the backing of the Commonwealth and to take this chance once and for all of ending the war. What we are striving to do is to solve a tragic problem with dignity and justice. I give you my word that it will not be the fault of this Government if we fail."

Constitution

No constitution could satisfy everyone, he said. We could not talk on and on about everything. The time had to come when a decision must be taken on the constitution. When that was agreed we had to move on to the matter of transitional arrangements.

Speaking from the rostrum, Mr. Amery was cheered when he said that now the six principles were fulfilled there was no shred of justification for continuing sanctions. It would be dishonourable to use them as a means of extracting further concessions from the Patriotic Front. We should respond with a gesture of reconciliation and lift them immediately.

Ignoring protests of "Now, Now," he added that he believed, in view of the progress made at Lancaster House, that "the time for lifting sanctions cannot be far off."

Protests

The debate was the first to be attended this week by Mrs. Margaret Thatcher, Prime Minister, who was given a rapturous reception by delegates.

Mr. Carrington had recognised Bishop Muzorewa's Government after the multi-racial elections in Rhodesia, then no one would have followed us. Rhodesia would have been thrust into isolation. The British Government had decided, therefore, to make a last effort to call upon the parties to attempt to reach an acceptable constitution.

Sanctions

Some argued that before any new election could be held the security forces should be integrated and other radical changes made. He did not, however, think that this was desirable or possible. Nothing should be done to prejudice or prevent the choice of the people of Rhodesia.

There would be strong pressure on Lord Carrington to renew sanctions in November. But there came a time when one had to stand up and be counted. "Never let it be said on this vital issue where the honour of Britain is at stake that this conference failed to stand up for what it believes to be right."

'Spendthrift' councils warned

WITHOUT CUTS in local authority expenditure there will be a "rates explosion" next April, warned Mr. Tom King, Minister for Local Government. He gave notice that spendthrift councils will receive less aid from the national exchequer than those who act responsibly and with restraint. "We are determined to treat fairly those authorities that have played the game, acted responsibly, perhaps having had to cut staff, postpone projects, and slash budgets. It is against that background that it is totally unacceptable that a handful of authorities committed by municipal Marxism are happy to go on squandering resources on community facilities used for dubious and subversive activities. He singled out for special censure a local authority which had established a community resource centre to aid such bodies as the National Socialist Feminist Conference, Crimes Against the Irish Committee, The United Troops Out Movement and the Garners Steak House Strike Committee. Mr. King condemned the harassment of small business and middle income families. The result could only be economic stagnation and social blight. Mr. King dismissed as "nonsensical" the Labour-orchestrated campaign against cuts in local government expenditure.

Young offenders to face military style detention

AN EXPERIMENT will begin by next spring at two detention centres, subjecting young criminals to a tough military type course of corrective discipline. "From 6.45 am to lights out at 9.30 pm, life will be conducted at a brisk tempo," Mr. William Whitelaw, the Home Secretary, told cheering representatives during the customary debate on law and order. But he came under fire from the floor for refusing to make any concession to the hardliners who still seek the return of capital punishment and the hilt. Mr. Whitelaw said the experiment with a tougher regime for young offenders would start at New Hall, a centre for 17-to-21 year olds in Yorkshire, and at an establishment for younger offenders at Sand in Surrey. "Much greater emphasis will be put on hard and constructive activities, on discipline, and on tidiness, on self-respect for these in authority." There would be regular drills, parades and inspections and offenders would have to earn their limited privileges by good behaviour. "These centres will be no holiday camps," the Home Secretary declared. "I hope that those who attend them will not ever want to go back." Mr. Whitelaw also disclosed that the Government plans to amend existing legislation to allow shorter minimum sentences, possibly of three weeks, for "short, sharp shock treatment."

Other initiatives to be taken in tackling crime among young people included the greater use of attendance centres to deprive football hooligans, vandals and similar offenders of their leisure time. Parliament would be asked to change the 1961 Criminal Justice Act to remove the artificial restrictions imposed on courts wishing to sentence young adult offenders to six months or between six months and three years. In characteristic terms, Mr. Whitelaw clashed with critics who blamed the Parole Board for the release of prisoners who had not completed the full sentences imposed by the courts. He explained that the Parole Board only made recommendations. "The Home Secretary decides—and I take full responsibility."

Too many parents were opting out of their responsibilities and a second version of the three R's—Responsibility, Reliability and Respect—should be taught in more homes. There was mixed reaction to Mr. Whitelaw's plan. The Police Federation, welcoming the centres, said: "It sounds very much like the original ideas for detention centres which have been eroded away under the influence of penologists and psychiatrists. We are firmly of the view that a minority of young offenders do require strong discipline and there is a place in the system for it."

Row over 'national identity'

THERE WAS growing opposition among Tories yesterday to a motion on immigration, halted to be debated at conference today. Attempts were being made yesterday to table amendments to it. Mr. Bob Hughes, national chairman of the Young Conservatives, said that about 200 of his colleagues met to protest about it but he had managed to quell their anger. The motion, submitted by Plymouth, Drake, calls on the Government to take stronger measures immediately to limit the entry of other nationals into this country, and to ensure that "the future identity of the nation is not overwhelmed by outside influences." It also says that housing, hospitals and jobs should be readily available to our own people without suffering additional demands from immigrants. Mr. Hughes said: "It is very sad that a motion of this character, which does not reflect party opinion, should come up. It is very unpleasant and unnecessary to mention things like the national identity being overwhelmed by outside influences." Mr. Hughes said he would be submitting his name to speak against the motion during the debate today.

Boundary changes pledge

AT BRITAIN'S next general election there should be fewer pocket-sized constituencies, Mr. Leon Brittan, Home Office Minister, told the conference. He promised prompt action by the Government to implement proposals on the redrawing of constituency boundaries expected to be received from the Parliamentary Boundary Commission by mid-1982. Mr. Brittan envisaged big changes designed to give more practical effect to the principle that each vote cast should be of equal value. This was not the case at present he said when the people of Glasgow Central could elect an MP with only 19,984 electors while it took 106,156 electors to elect an MP in Basildon. In a wide-ranging review of the electoral law, Mr. Brittan showed sympathy for suggestions that people should no longer be deprived of their vote while on holiday. He also undertook to consider possible ways of extending the franchise to include British subjects working abroad.



CONFERENCE FACES (from top to bottom): Mrs. Thatcher and Lord Carrington; Mr. Julian Amery; Mr. Francis Pym and Mrs. Thatcher; Mr. William Whitelaw; Mr. Leon Brittan; Mr. John Stanely, Mr. Michael Heseltine and Lord Thorneycroft

Ovation for Heseltine on council house sales plan

ACTION TO give council tenants the inalienable right to buy their own homes and to ease effects of the Rent Act of 1977 on landlords was promised by Mr. Michael Heseltine, Environment Secretary, speaking in the debate on homes and land. He undertook that legislation would be brought forward in the present session of Parliament to give local authority tenants and new town tenants the right to purchase. Once that was done, no extremist Labour local authority would be able to prevent tenants doing so. "Not for a year, not for a month, not for a week, not for a day. Among other proposals, Mr. Heseltine announced an experiment for building new homes, which would be outside the scope for the Rent Act. As in previous years, Mr. Heseltine received a standing ovation from cheering delegates

for a fighting speech, in which he lashed out at socialism. He attacked the "humbug and hypocrisy" of Labour councillors who opposed the sale of council houses, but purchased them themselves because it was "too good a bargain to miss." He also delighted the rank and file with scathing remarks about Labour's Parliamentary leaders, with their "luxury private pads and bijou residences." As all the Government members on the platform rose to applaud his performance, Mr. David Davenport-Handley, chairman of the conference, praised him as "a man of action and determination — consistently brilliant." According to Mr. Heseltine, the enfranchisement of council tenants by the Government would be seen as "one of the greatest social revolutions of our time."

He confirmed that he would ask Parliament to improve the introduction of a form of short-hold tenure for new tenants in an effort to persuade property owners to bring more accommodation on to the rented market. At the moment, thousands of houses were empty because landlords feared to rent them. The Rent Act prevented them gaining repossession. A short-hold let would enable landlords to set fair rents for a fixed period, at the end of which the landlord would be entitled to possession of the property on service of proper notice. Existing tenants would not be affected by this proposal. "The knowledge that the owners will get their property back from new tenants after a period will go some way to encourage the availability of property to let," he said. But he also intended to intro-

duce an experiment in the provision of new buildings for rent. He had decided to ask Parliament to permit, on an experimental basis, an opportunity in approved cases for new construction of homes to rent outside the Rent Act. This could be a matter for consideration by the new Select Committee, which will be covering the work of the Department of the Environment, when Parliament resumes. In addition, he hoped to complete shortly his review of the Housing (Homeless Persons) Act, 1977, and the Rent (Agricultural) Act, 1976. Mr. Heseltine objected to a section of the motion before the conference, which urged the Government to let out by stages the payment of full economic rents by those able to afford them. As a result, the conference

approved an amendment striking out this section and replacing it with wording committing the Government to provide a basis for new buildings for rent and for sale in the private sector. Mr. Heseltine maintained that it would be very wrong to commit the Government to a rigid timetable of enforced rent increases. It would be out of context with the Government's general battle against inflation and could be economically and politically damaging. Massive rent increases could provoke wage demands far more damaging than any gain from the rent increases. It would be providing a hostage to fortune, which the Labour Party would exploit at every local and national election. "We must leave the matter to the good sense of Governments acting in the circum-

stances that prevail," he said. He also reminded conference that while £500m was spent in subsidy to council tenants, there was also £1.4bn that went in tax relief on the interest paid by mortgage holders. No one supported the concept of home ownership more than he. Nevertheless, it was also true that the enhancement of property values had brought prosperity to the owner which the tenant had not shared. In general, the ownership of property has produced wealth beyond dreams to a generation of our citizens. You only had to buy your own home a year ago to have seen it increase in value by £5,000 or more. Mr. Heseltine emphasised that the Conservative Party now had a responsibility to the generation of council tenants who had abandoned the Labour Party and now supported the Tories.

مكرامن الاحول

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

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● AUTOMATION

Adaptable control system

ARGUMENTS ABOUT big, small, centralised or distributed process control seem almost to vanish with the introduction by Fischer and Porter of the DCI-4000 which the company says can be used in all industries for the control of continuous or batch operations.

The system is based on a number of separate microcomputer-controlled equipments which can be connected together in a hierarchical fashion to produce control of as few as eight loops, all the way up to a large scale scheme in which a supervisory computer would be used and management reports produced.

Any user however, can start with the smallest system consisting of only one DCU (distributed control unit) and build the system using local operator panels (LOPs) through a data highway system to central operator's panels (COPs) and, through a store and forward system to bigger machines and reporting systems.

Controlled investment can take place without invalidating any of the previously installed equipment.

The company emphasises that all the units of the DCI-4000 are to be introduced at the same time in November—there will be no piecemeal approach and all potential users will know what is available from the start.

There are three kinds of distributed control unit. One is an analogue unit for the control of process variables such as flow, pressure and temperature (up to 16 loops) and is complete

with signal conditioning and calculation functions. Another is a multifunction unit for batch applications requiring sequencing; it has all the functions of the analogue device with the added ability to control up to 128 discrete outputs and to monitor up to 144 inputs under sequence control. The third distributed controller is a process scanning unit for use in larger systems where data communication with a digital highway becomes necessary.

Local operator's panels have CRT screen and keyboard. They provide local operator communication with the system (up to four DCUs can be accommodated) and give displays of the process variables, set-points, equipment status, control outputs and sequence status displays. Adjustments of set-point and other items can be made from the keyboard. Simulated meter movements as well as digital displays are provided.

Central operators' panels have similar functions, but provide access to a much larger segment of the plant and have colour displays. Such a panel can connect to 16 DCUs through the data highway and may have more than one screen. It can also be much further away from the control units—up to 2 km.

There are CRT graphics software packages that allow the user to generate and modify graphics on line. No programming is required. Indeed, this is basically true for the whole system so far as the user is concerned. The company says that the engineer can

formulate what it calls the "Controlware" in the DCU, assembling precise loop configurations as if he were using hardware items in a conventional instrumentation system. Essential permanent data is held on read only memories. These "softwiring" changes, which can be used to test control strategies at will, are carried out in the DCU via plugged in teleprinter.

The company's own 4000 series computer can finally be connected to the top of the hierarchy, serving either as a combined operations and computer centre (having the features of the central controllers and of a final data output unit), or as a separate computer centre for supervision and output of data only.

It is even possible for the user to make use of his own, existing computer for these purposes, employing the Fischer and Porter store and forward terminal as a data/priority buffer.

The digital data highway connecting all the elements is over simple coaxial cable; it can be duplicated without too much cost so that if one highway is physically damaged, the other will take over.

In spite of the electronic complexity that can be invoked in the DCI-400, the company makes the important point that a simple eight loop system can be implemented at no more cost than that of a conventional panelboard of comparable capacity—and without disrupt-

ing conventional control of other process units in the same plant. So far as the "microprocessor revolution" is concerned, Fischer and Porter claims it can

"deliver the promise but eliminate the risk." More from Salterbeck Trading Estate, Workington, Cumbria (0948 830611). GEOFFREY CHARLISH

● COMPONENTS

Safe power connectors

EXPLOSION proof power connector equipment to meet the special needs of the oil and petrochemical industries, and other hazardous environs, has been developed by BICC Maréchal, part of the Power Connector and Lighting Division of BICC Components, Prescot, Merseyside.

Manufactured to the new, stringent CENELEC standards, the new plug and socket has been added to BICC Maréchal's range of explosion-proof power connectors, available up to 125 amps.

Small and compact the new DX 10 is especially useful for installation in the confined

spaces often encountered in hazardous environments. Additional features of the new unit include a safety shutter which prevents access to the live contacts of the socket; a security lock which prevents unauthorised use; an external earth connector as well as glanding arrangements to terminate protected cables such as armoured braided cables in the plug.

An explosion proof transformer unit which will give low voltage supplies from the normal mains voltage is also fitted with the DX 10. More from PO B1, Prescot L34 5S2. 051 428 6571.

Fixes insulation boards

TAC Construction Materials has a new low cost non-combustible insulation board fixing system suitable for fire linings.

Based on non-asbestos "Limpet" insulation board, the system uses newly developed tee bars designed to a 600 mm module format which, when fitted, have a finished appearance similar to that of lay-in grid suspended ceilings. Installation costs may be typically up to 30 per cent lower than for conventional concealed tee systems.

System parts are supplied in optional galvanised or white finish. Main and cross tee joints are self-aligning to ensure con-

tinuity of lines and, as face fixings are unnecessary, surfaces are not marred by screw heads. There are no separate clips or wedges, the boards being retained, in situ, by tabs punched out of the tee bars.

Economy and ease of installation are met by normal methods of scribbing and breaking sheets, obviating any need for close butt joints. Similarly, self-drilling or tapping screws are not normally required and the use of ancillary power tools is unnecessary.

TAC Construction, POE22, Trafford Park, Manchester M17 1RU. 061 872 2181.

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● POLLUTION

Less noise from vented steam

LARGE capacity vent silencers to handle the excessive noise levels produced when high pressure gases and steam are vented to the atmosphere will be of particular interest to the petrochemical, natural gas and process industries.

For use in a reinforced concrete or concrete and brick-built stack, the silencer consists of two sections: gas diffusers mounted on the vent outlets break up the flow of vented gas or steam as it enters the expansion chamber, ensuring even distribution, and a series of staggered splitter elements absorb sound at the stack outlet.

This new design produces attenuation characteristics greatly in excess of conventionally designed vent silencers. Alpha Acoustics, Hillbottom Road, Sands, High Wycombe. 0494 36345.

● METALWORKING

Eases task of the toolmaker

FOLLOWING experience gained within its own organisation, the Delta Metal Co. is to offer a computer-aided design "package" called Delteam for the toolmaking industry.

The company is offering three programs for which subscriber companies can "dial in" through the normal telephone network. The programs are: GNC for the simplest 2D shapes, Folsurf for 3D for doubly curved surfaces and Duct for 3D for pipe and tap shapes.

Apart from offering computer aided design programs, Delteam says that it will itself produce drawings and carry out machining operations for individual customers or provide the services of a time-sharing bureau. In essence, the company reckons that its services, whether via its computer-aided design scheme or more directly through production in its machine shops, can speed up production of the required components and reduce the cost of the necessary toolmaking. Designs recently produced by the company range from foundry patterns to dies for 13-amp plug mouldings and it is pointed out that the system can be economically used for small batches and even one-off jobs.

Delteam, work on which is financed by the Department of Industry, has been used by companies within the

Delta group and some outside companies have experimented with it. The success of these first exercises in its use has now led the group to offer the system either on a bureau basis or as an "in-house" system and details can be obtained direct from Delta at Argyle Street, Neobells, Birmingham (021 837 9401).

A grinder from Switzerland

MANUFACTURED IN Switzerland by Gebr. Magerle A.G. Maschinenfabrik, an automatic surface and profile grinding machine called the HPA-124 is now to be marketed in the UK. Dimensions of the machine's table are 1250 by 400 mm, diameter of the grinding wheel is 400 mm and maximum distance between the table and centre of the grinding spindle is 600 mm.

The machine is said to be particularly suitable for die sinking, copy planing and broaching. Sole UK selling agent is Caston E. Marhaix, Sessame Road, Basingstoke, Hants RG21 3NT (0256 3141).

● TRANSPORT

Traffic control improved

COMPUTER-BASED, a traffic control system by Ferranti and installed in Nottingham is fully operational and in continuous use.

Traffic flows have shown a noticeable improvement over major routes, with significant reductions in journey times.

For instance, a bus journey on one of the busiest routes now takes 17 per cent less time than before the installation of the equipment. Furthermore, observations of journey times along a particularly congested stretch of the London Road showed that between 08.00 am and 09.00 am they increased from about seven to close on 20 minutes prior to computerising, which contrasts with relatively small fluctuations around the seven minute mark after the event.

There can be little doubt that traffic control automation has a very important role to play. Whether a system can be overwhelmed as users realise that the roads it controls are worth taking remains to be seen. The £30,000 system, which has

two Ferranti Argus 700G processors, is linked through Ferranti data transmission equipment to more than 200 on-street devices including traffic signals, pelican crossing and traffic flow detectors which are used for the collection of data on road usage.

Traffic control is from a purpose built centre equipped with operators' consoles, visual displays, wall map and closed circuit television.

Any one of 99 traffic plans developed from the County's traffic data and stored in the computers can be implemented to co-ordinate traffic flows. These plans may be initiated either automatically or manually by the operator who can, if necessary, even control individual street devices.

An additional facility provided, primarily for the City's fire brigade is a range of "Green Wave" plans which can be activated from the Fire Service Control Room. Ferranti Computer Systems, Wythenshawe Division, Simonsway, Wythenshawe, Manchester M22 5LA. 061-437 5391.

● INSTRUMENTS

Aids study of vibration

A NUMBER of comprehensive systems for vibrational testing and analysis have been introduced into the UK by GenRad of Bourne End, Bucks, SL8 5AT (06285 26611).

Applications will occur in design evaluation of products performed in the laboratory before manufacture, electro-magnetic shaker testing and sound/vibration evaluation during manufacture, and machinery health analysis in the field.

The 2503 for example can be programmed to control the generation (via additional power amplifiers) of random, sine and shock motions up to 8 kHz. Dual floppy disc drives (one megabyte) allow the recall of test data for future investigation. Displays of the test drive frequency can be presented in a number of ways on a large screen vdu which can be separated from its pedestal for bench top use if desired. Graphical representation of the test on the screen is fully calibrated, and an associated printer-plotter records condi-

tions before, during and after the test.

Of the analysis systems, model 2502 is the most versatile with four input channels, a ten megabyte hard disc system for data accumulation and 128k bytes of random access memory for large analysis tasks. Well over a dozen different measurements and analyses can be made, ranging from waveform averaging to inverse Fourier transforms, assisted by calibrated graphics displays on the 12 inch vdu screen.

Typical applications will be in modal analysis, investigations of rotating machinery and straightforward acoustic analysis, and appropriate software packages are available. For example, animated displays of the physical deformations of the structure are possible in modal analysis, providing rapid insight into the dynamic behaviour of a structure.

Simpler versions of both of the above equipments can be supplied, and the company is also introducing units for structural analysis specifically.

Will detect gas

COMPACT SINGLE channel gas detector from Sema-Electronics, Dundonald Camp, Irvine, Ayrshire, can be programmed to the customer's requirements and the user can choose from a list of over 250 toxic and flammable gases and vapours.

Known as the 3933, the instrument measures only 200 by 150 by 80 mm and weighs 900 grams. Intended for continuous mains operation it is easily wall mounted, although

the company will make it available for with a 16 hour re-chargeable battery. Percentage gas levels are shown on a moving coil meter, although a liquid crystal display can be provided; a further option is a time weighted read-out.

A fully adjustable two-level alarm system is provided and the instrument is sold complete with sensor and five metres of fitted cable (longer lengths can be specified).

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For instance... when you're trying to find your way to an address you don't know in a town you're unfamiliar with, our local control room can "talk you in", helping you reach your destination without delay or worry. For instance... Securicor's own weather and traffic reports are yours for the asking.

For instance... you can treat the control room as an extension of your office which allows you to book a hotel room, reserve a restaurant table, or change a meeting without any fuss at all (and no stopping to look for a telephone!).

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If good communications are essential to your business, Relayfone could play an important role in increasing your efficiency and profitability. Our Pye equipment can be fitted into any vehicle, saloon, van or lorry, to keep the driver in close touch with the rest of the world: especially with his company, customers and family.

Thousands of our subscribers have already learned that Relayfone is very simple to use and rapidly becomes an intrinsic part of their business.

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Ian Duthie, Medicare Ambulance Service.

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Brian Eadie, Senior Area Manager, Autoglass Windscreen replacement service.

☞ A useful and economic service which I would certainly not want to be without now that I have had a chance to evaluate it. ☞
Norman Hunt, Managing Director of P & L Decor Ltd., exhibition stand constructors.

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Tony Vine, Transport Manager of Crokerton Haulage.

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THE MARKETING SCENE

That's entertainment Tremor in recruitment boom Some happy faces in Fleet Street

BY DON BECKETT

This month saw the launch of Frederick Forsyth's new novel, 'The Devil's Alternative'.

The success of this grand gesture is of as much importance to JWT as to Forsyth, and Hutchinsons, for the book is one of the first assignments of the agency's new Entertainment Group.

O'Connor has pinpointed four areas of involvement - books, films, records and the theatre. Each offers varying possibilities.

problems for the record companies that relied on TV advertising to secure sales. JWT would very much like a record account, even though the TV promoters tend to do their creative work in-house and expect cheap media buying, but at the moment records are not the healthiest part of the leisure industry.

That privilege belongs to films, which are enjoying a big revival in the U.S. and quite a nice boomlet in the UK, where cinema admissions are rising for the first time in a generation.

McCORMICK Intermarco-Farner has regained the Canadian tourism account from TBWA. Worth £200,000 it was with McCormicks in 1977 and 1978.

One of the minor paradoxes of the day is the contrast between the confident forecasts of mass unemployment - 2.5m out of a job by the mid 1980s: 3m by 1990 - and the current unemployment statistics, which are strangely reluctant to move upwards.

These figures are important for everyone in marketing, for recruitment is traditionally the trend leader, the first to dip in a recession and thus an omen for packaged goods advertising.

Ironically in the past year advertising expenditure would have been higher if the media had been available. The disappearance of Times Newspapers, especially of the Sunday Times and the Educational Supplement, has created a gap which has not been completely filled.

One outlet that has proved quite effective recently is the Daily Express, which has gained business at the bottom end, from the queue of Telegraph advertisers, and there is a greater willingness generally among companies to experiment in their media schedules.

Among the unskilled it is quite a different picture, and agencies are able to advise their clients that they can safely

BY ANTONY THORNCROFT



Roddy Braithwaite, chief executive of Charles Barker Recruitment. Behind him is the first full page recruitment advert placed by the agency in The Daily Telegraph.

the Telegraph has already persuaded Barkers to reduce the type size in its advertisements so that more clients can be accommodated in the same space.

Ken Fordham, managing director of Austin Knight, still far and away the largest agency in this field with billings of around £27m this year, thinks that the immediate prospects are dependent on the amount of industrial strife this winter.

Among the unskilled it is quite a different picture, and agencies are able to advise their clients that they can safely

TO THOSE of us who are regularly engaged in the handling of advertising campaigns on ITV, it seems a long two months since the nation's viewers last had an alternative to BBC 1 and 2.

For many TV advertisers the natural alternative to TV is women's magazines, but preparing a new colour campaign in the weeklies or monthlies takes months rather than weeks.

But if radio has perhaps gained £3-4m in terms of extra advertising revenue through the absence of ITV there is another media group which has benefited by many times that sum. I refer, of course, to newspapers, in all their various categories: morning, evening, Sunday and weekly, national and regional: popular and quality.

About 15 per cent of the higher expenditure on recruitment advertising this year will come from rate increases but this still leaves some real growth.

POPULAR DAILIES AND SUNDAYS PAGING AND EXPENDITURE AUGUST/SEPTEMBER 1979

Table with columns: Average paging per issue, Total Ad expenditure (two months), Aug/Sep, Aug/Sep Index, Aug/Sep, Aug/Sep Index. Rows include Popular Dailies, Popular Sundays, and Total.

Source: MEAL

market national advertiser. As the table shows I have looked at the two months August and September 1979, and compared with the with the same months last year, in terms of the numbers of pages published and the estimated advertising expenditure.

The News goes glossy

THE much rumoured colour magazine of the London Evening News will first appear on Friday, November 16. It is to be distributed free with the newspaper, which has a current readership of 1.5m.

day Express) page as the equivalent of two tabloid pages. Turning now to advertising expenditure, we can see that the Sundays showed a greater growth (45 per cent) than the Dailies (27 per cent), against an average growth for the two groups combined of almost one third (31 per cent).

Don Beckett is a director of The Media Business.

HOLDING A MEETING? VENUE?



LONDON: 01-5673444 MANCHESTER: 061-969 5151

Join the Marketing Professionals!

Q: What have the following in common? -Sir James Goldsmith -Vidal Sassoon -Terence Conran -The Saatchi Brothers -Sir Peter Parker -Mary Quant -Lord Barmetson -Victor Matthews -Richard Tompkins

A: They or their companies have all been the subject of MARKETING WEEK cover stories.



MARKETING WEEK

The independent weekly news magazine of marketing

If you're a regular MARKETING WEEK reader you'll have:

- read an exclusive interview with Sir James Goldsmith who revealed his plans for NOW! magazine and his reasons for launching it. -traced the Saatchi brothers route to success from small hot-shop to a top British agency. -been on the inside of the cosmetics houses' efforts to get supermarket distribution -and the pressures against them -two weeks before the BBC covered this topic in The Risk Business. -found out Victor Matthews's plans to change the face of Fleet Street.

-been kept up-to-date each week on all the news, the views, the people, the launches and the campaigns in the fast-moving world of marketing.

If you're a marketing professional, you're probably already a MARKETING WEEK reader (75% of all top marketing executives read 3 out of every 4 issues - RSGB, April 1978). But in case you're not, we're making you an offer you can hardly refuse.

ACCEPT OUR OFFER OF 4 WEEKS' FREE ISSUES. Fill in the subscription form and mail it to us. We shall invoice you or your company £25.00 for one year's subscription (£80.00 overseas) after you've received four weeks' issues. If you decide MARKETING WEEK does not benefit you, just notify us and we'll cancel your subscription.

Subscription form with fields for Name, Company, Address, Nature of Business, Signature, Date, and checkboxes for 'Invoice my company' and 'Invoice me'. Includes a 'Please tick box' for FT4.

PANATELLAS advertisement featuring a portrait of King Edward and the text 'Nighly sweetened'. Price: pack of 5 Panatellas only £1.30 R.R.B. Now available from your tobacconist & good pubs.

CREDIT CARD BUSINESS CARD WALLET advertisement. Text: 'With your name and logo permanently printed on front cover they are gifts your customers will appreciate year after year, when other gifts are thrown away. An effective sales tool which combines usefulness with customer goodwill giving full advertising impact for as little as 75p inc. enviro and print. Min. order 60 only. Send for colour brochure and full details.' RABEN-CHRISTENSEN LTD. 2 Foundry Lane, Hoxham, Sussex. Phone (0403) 69696 Telex 87636

THE SECRET OF SELLING FRIDGES, AS REVEALED BY CITROEN.

If ever there was a lesson on how to advertise refrigerator stockists, it's in the Car Distributors section of Yellow Pages.

There, you'll find virtually every car manufacturer running dealer ads similar to the Citroen ad shown here. In all 64 local editions.

Wouldn't their money be better spent on a few more dealer listings in magazines and newspapers?

In their experience, no. Magazines and newspapers end up all too quickly lighting garden bonfires. And all that dealer advertising along with them.

Whereas Yellow Pages sits on every telephone subscriber's hall table every hour of the day, 365 days a year.

As a result, 12 million people

look in their local Yellow Pages each week* to find out where to buy what they're already sold on.

If they're after Citroen, the answer's easy. But if they're after your brand of refrigerator, life's not so simple.

In the Refrigerator section of Yellow Pages, it's difficult for potential customers to tell which refrigerator dealers sell your brand. And all because you're not advertising them.

If you'd like to learn how little it can cost you to support your dealers in Yellow Pages, ring Thomson Yellow Pages Ltd.

You'll find us in Yellow Pages, under Advertisement Contractors.

See how little advertising space that last paragraph cost us?



*Independent research conducted by RSGB



JOBS COLUMN, APPOINTMENTS

Lance's point punctures gloom • Computers

BY MICHAEL DIXON

THE BEST warning I know against crudely differentiating between human beings, is a maxim which goes as follows. There are basically two sorts of people: those who say there are two sorts of people, and those who are so stupid.

Nevertheless the spot check I have just made on the job-outlook for ambitious managers and specialists, suggests that the recruiting and employing fraternity at least are currently divided into two sorts of people. The majority whose views I sounded are, I'm sad to say, characterised by what the Danish philosopher Soren Kierkegaard termed "the proud courage which dares to fear the worst."

In this majority's opinion, the wisest career strategy for most go-ahead British managerial types over the next year and more would be to learn foreign languages. True, certain exceptions were generally cited. One was the accountancy species who, whatever may happen, seem only to multiply. Other fortunes were people skilled in electronics engineering and other occupations blessed by connection with computers. For the rest of us, however, the outlook was deemed gloomy by all but the headhunters concerned particularly with recruitment of senior, internationally capable people for posts overseas.

Each of those gloomy about prospects in the United Kingdom quoted the same forebodings. Talk about a further rise in oil prices. Forecasts of a liquidity crisis. The evident reaction of manufacturing concerns to the outcome of the engineering unions' strikes.

"Whenever I've rung a client in manufacturing this past month, said one headhunter, "I've heard the distinct sound of fluttering—not of chickens coming home to roost, but of expansion plans being pitched back on the shelf. Earlier in the year a dozen had lined me up for recruitment projects this autumn. Every one has now been postponed and, from what I can gather, postponed indefinitely."

A similar impression is given by the latest returns to the Government-sponsored Professional and Executive Recruitment Agency from an area where engineering normally provides 75 per cent of the job vacancies notified to PER. This proportion has suddenly dropped to 25 per cent of a woefully diminished total.

There is no sign yet of an increase in unemployment among the managerial and specialist ranks. At the end of September 72,000 such people were registered with PER as out of work, compared with 73,000 a year before. As it happened, all the pessimists felt that their portended downswing would not

cause redundancies among managers on anything like the scale of 1971 or even of 1975.

Even so, the majority agreed that the failure of UK demand for managerial staff generally to climb out of its summer-holiday trough, signalled the onset of another lengthy recession. Employers were expected to become more and more averse to refilling any vacant post which was not patently essential.

A day spent listening to such views leaves one fairly depressed by six o'clock, which was when I heard from the last of my sample of recruiters and employers—Lance Secretan, the UK chief of the Manpower Work-contracting concern. So I told him of the general gloom.

He promptly retorted that I and my pessimistic prophecies should all be ashamed of ourselves.

"You're right that this is a decisive time," he snapped. "But the decision is whether we're going to talk ourselves into a recession or not. There's no objective reason why it should happen as far as I can see. And unlike the rest of you, I'll bet, I've just surveyed opinion in 1,371 companies with a combined workforce of a million people."

The survey made last month covered the companies' intentions for employing people between now and the end of the year, and Manpower has com-

pared the results with those of a similar survey covering the last quarter of 1974 which, of course, preceded the last, supposedly cyclical downswing in demand.

In one particular, the 1979 returns are worse than those of five years ago. About 12 per cent of the total sample now expect their workforce to decrease, compared with only 10 per cent in 1974. The proportions expecting no change are about the same at 59 per cent.

But 28 per cent are expecting an increase, as against 23 per cent five years ago. And what Mr. Secretan looks on as highly encouraging is a drop from 8 to less than 1 per cent in the proportion of companies who simply don't know their intentions.

"Since almost all of them have worked out in advance what they are going to do," the Manpower chief almost yodelled "that leaves far fewer than there were in 1974 who are liable to be wadded into confusion by a lot of gloomy hot air."

Thus it was that my spot check showed recruitment and employment consultants to consist of two sorts of people. There are the aforesaid "proudly courageous" pessimists. And there is Lance Secretan exhibiting what Kierkegaard called "the humble courage which dares to hope for the best." But if Mr. Secretan's evidence is as en-

couraging to employers generally as it is to me, then his one-man stand promises to be the best thing that the Jobs Column has ever reported.

Two seniors

BARRY EAGLES of the Euro-selection consultancy is seeking two senior people for a brace of computer-industry companies, both based in the London area. Since he may not name the concerns, he undertakes to abide by any applicant's request not to be identified to either employer until permission has been given.

The first is a business in computer peripherals, but which is thinking of expanding into the middle of the industry. It wants a director of corporate development to be responsible to the group chairman for mapping out strategy for the next five to 10 years, including growth both by internal development and by acquisition.

The newcomer will work single-handed at the beginning, but Mr. Eagles does not want an "ivory-tower planner." While candidates' previous experience may well have been on the boffin side of marketing or the like in computer hardware, they must be prepared to involve themselves in practicalities to the extent of qualifying themselves over the next couple of years for promotion into active line management.

The age indicator is 32 to 45 with a preference for the younger-end. Salary £18,000 to £20,000. Perks include a car. Provident candidates are culturally transferable to work in England, it does not matter where they are currently working.

Barry Eagles would prefer inquiries to be telephoned to him at 0273 601699. Euro-selection's address is 109 Marine Parade, Brighton, Sussex BN2 1AT.

The same applies to inquiries about the second job, also open to culturally transferable applicants from anywhere, as international marketing manager. Responsibility is to the company's managing director.

A joint venture already established excludes France from the domain of the newcomer. But Germany is first on the list for export expansion, and fluency in German is essential. The next step will be into the rest of Europe, and then to the Far East. Working alone to start with, the recruit will do a lot of travelling.

Success in selling software or hardware is wanted, and the more contacts a candidate has established overseas, the better. Age 35 to 50. The base salary could be up to £17,500. Commission will be paid at the same rate however rough the new manager sells. Car and other usual perks.



NEW BUSINESS DEVELOPMENT EXECUTIVES

Griffin Factors—a subsidiary of Midland Bank is a well established internationally operating factoring Company currently seeking to appoint additional members to its new business development team.

New Business Development Executives are responsible for promoting and selling the Company's financial services to expanding industrial and commercial concerns.

After comprehensive training at Griffin's headquarters in Worthing the executive will be working largely on his/her own initiative and will be responsible for generating new business within a given area.

Experience in factoring is not necessary but successful candidates will have an impressive background in sales or finance, have the ability to grasp the salient details of differing lines of business, be able to negotiate successfully at top level and have preferably a degree or financial qualification.

The career offered is a challenging one with excellent prospects on proven success.

Salary is negotiable and, as a member of the Midland Bank Group, the Company offer first class conditions of service which includes a Company car, after initial period. Assistance with relocation will be given.

Applicants aged between 25 and 32 are invited to write giving details of career to date to:

Jean Marshall (Mrs)
Personnel & Training Manager
Griffin Factors Limited,
21 Farncombe Road,
Worthing, Sussex.

Medtronic one of the world's leaders in the field of cardiac pacing (pacemakers) is seeking for its European group of 17 companies an

operational audit manager

(male or female)
BASED in PARIS

Holding a high position within our organisation, he reports directly to the Director Europe-Afro-Middle East operations.

He will be fully responsible for the development of annual audit coverage plans, in accordance with guidelines provided by the Executive Committee and the Corporate Audit Department. The candidate will perform both financial and operational audits and review the internal control systems and procedures. Candidates should have extensive experience in both financial and operational audits in an international environment.

Fluency in English is a must. Other European languages an asset. Career opportunities for a successful candidate. Extensive travel.

Apply with CV, photo and current earnings to:

Medtronic European Headquarters
Human Resource Department
120, av. Charles de Gaulle -
92200 NEUILLY/SEINE -
FRANCE.
Applications will be treated in strictest confidence.



FINANCIAL DIRECTOR

£10,000 + Car
Yorkshire

A public group, turnover £20m, requires a Financial Director, for one of its expanding subsidiaries in catering equipment distribution. We are seeking a qualified accountant, around 30, with commercial experience.

This post provides the opportunity to demonstrate general management skills, and should lead to total profit responsibility. Basic salary will be circa £8,000 per annum with profit bonus, car and other fringe benefits.

Please apply to:
The Group M.D.
Staines Catering Equipment Limited,
International Trading Estate,
Brent Road, Southall, Middlesex.

Thinking of changing your job? (But not quite sure?)

For one reason or another, many of our clients think they should make a change, but are not quite sure. Not sure of themselves, of their potential, of their "marketability" or of their ultimate goal.

We are a group of highly qualified specialists who guide senior people towards a new direction in their careers, towards optimum personal and financial rewards. If you're a senior executive or professional person and you're not quite sure, one of our professional Career Advisers will be happy to discuss the matter with you, confidentially and without charge or obligation.

Telephone us on 01-637 2288 now. CHUSID help you to help yourself to a new way of life.

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The Consultants in Executive Evaluation and Career Advancement
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EXPORT FINANCE

£11,500-£13,500+Car

Our client is the International Division of Midland Bank, for whom we recently recruited a number of Project Finance Executives.

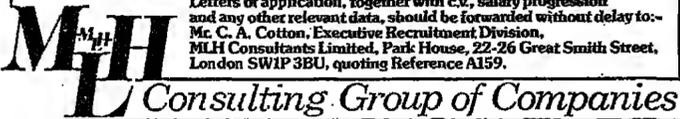
There is a requirement for further executives to continue the programme of expansion of this rapidly growing area of International Division.

Successful candidates will be able to demonstrate several years' successful experience of the promotion and arrangement of export financial services, including ECGD project buyer credits. They will have been used to dealing at the most senior levels both inside and outside the United Kingdom, and it would be an advantage, but not a prerequisite, to have at least one language in addition to English.

The posts are London based but overseas travel will be necessary.

Prospects for advancement in a dynamic environment are excellent and the positions carry the fringe benefits associated with a major International Bank.

Letters of application, together with cv, salary progression and any other relevant data, should be forwarded without delay to: Mr. C. A. Cotton, Executive Recruitment Division, MLH Consultants Limited, Park House, 22-26 Great Smith Street, London SW1P 3BU, quoting Reference A159.



Senior Appointments

FINANCIAL CONTROLLER DESIGNATE

CITY £9,000 +

A rapidly expanding subsidiary of an international merchant bank is making a new appointment as Chief Accountant. This is essentially a personal development opportunity to grow with the company and to acquire a record of achievement in the financial investment industry. Initially the duties will be varied and will include several aspects of administration, the setting up of accounting systems and building up of staff in the department. The appointment of financial controller will follow later. The successful candidate will be qualified and will preferably have some acquaintance with City financial institutions (and investment accounts). Apply confidentially, reference 8323, to Richard Mooney or Ian Crichton.

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB 01-588 5105

Medical Marketing Director-U.K.

Prescription Medicines

Our client is a British pharmaceutical company whose vigorous development programme has achieved sustained growth over recent years. To develop and execute an effective marketing plan to exploit further the U.K. market for new and existing products; it seeks a U.K. Marketing Director. A thorough understanding of the scientific and commercial aspects of marketing in this highly complex and competitive field is required.

Candidates, aged 30-45 must have an outstanding record in sales and marketing management/direction in the prescription medicines field.

Starting Salary c. £16,000. Car and usual additional arrangements.

Please write with relevant career/salary details—in confidence—to S. W. J. Simpson Ref. B.38329.

This appointment is open to men and women.

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

MSL
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Senior Sales Consultant

Recruitment Services

Lansdowne is one of the leading international recruitment organisations servicing a wide range of Government, Industrial and Commercial clients throughout the Middle East and elsewhere abroad.

In Saudi Arabia, our offices in Riyadh, Jeddah and Dammam employ some thirteen staff handling a multi-million pound annual turnover. A Senior Sales Consultant is required to assume responsibility for existing clients and to promote our wide range of recruitment services to new clients throughout the Kingdom.

Recruitment experience is by no means essential. The qualities we seek include the ability to sell services to a wide range of social and ethnically different personalities, the maturity to move freely at all levels and the determination to be successful in one of the most difficult but exciting business

Saudi Arabia

environments in the world. Marketing experience in Saudi Arabia would be a distinct advantage. Ideally aged between 28-38 years, we are seeking a person interested in spending several years in the Kingdom and who can within two years assume Director level responsibility for the territory. The first twelve months at least will be bachelor status. A substantial tax-free compensation package will reflect the importance of this key position in our rapidly expanding international organisation.

Our Saudi Regional Director will be visiting London in late October to conduct interviews. In the meantime, interested candidates should send a full resume and a recent photograph to: Chris Lansdowne, Chairman, Lansdowne Recruitment Limited, Design House, The Mall, London W5 5LS.

Lansdowne
Middle East
Office throughout the Middle East
c/o North America and Australia.

INSPECTORS/INTERNAL AUDITORS

City c. £10,000

The Trustee Savings Banks have over 1,650 branches throughout the British Isles providing banking services to more than eight million people.

The Regional Trustee Savings Banks employ more than 16,000 staff. The Central Board's Inspection Division, based in the City of London, is responsible for monitoring and developing inspection policy within the Regional Banks and Subsidiary Companies. We now wish to recruit to Inspection Division two Inspectors/Internal Auditors.

Answerable to the Head of the Inspection Division, the successful applicants are likely to be professionally qualified and to be within the age range 28-40 with at least three years' experience with a major employer in a similar appointment. Candidates should be prepared to be exposed to all aspects of domestic banking in a progressive and challenging environment. Applicants must also possess sound audit experience and

commercial judgement together with a high degree of self-motivation, analytical skill and proven communicative ability.

We offer an attractive range of fringe benefits, including a house mortgage subsidy scheme, private medical insurance scheme and non-contributory pension scheme. The successful applicants will be required to undergo medical examinations. Approved relocation expenses will be reimbursed where appropriate.

Applications quoting ref. FT, and giving full details of career and relative experience to date, together with the names of two referees should be addressed to:-

General Manager (Personnel),
Trustee Savings Banks Central Board,
PO Box 33, 3 Coptic Lane, London EC2P 2AB
to arrive not later than 30th October, 1979.



TRUSTEE SAVINGS BANK

Jonathan Wren • Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

CURRENT SALARIES IN BANKING

Guide to Current Salaries in Banking, an authoritative four-monthly publication now in its third year of issue, contains salary figures for over one hundred bank positions defined by job function and rank.

The October 1979 edition, reflecting the impact on the market of recent salary increases, has just been published. It is available to banks and financial institutions only, by subscription.

Enquiries concerning this publication should be addressed to K. W. ANDERSON, Director

First floor-entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

INTERNATIONAL ECONOMIST

ATTRACTIVE SALARY AND BENEFITS LONDON, W1

A major U.S. corporation requires international economist for select London Mayfair office. Duties include economic and political surveys of European countries as well as special assignments. Some overseas travel. Candidate should be well grounded in macro-economics, with good writing ability.

Reply with resume in confidence to Box A.6904, Financial Times, 10, Cannon Street, EC4P 4BY.

مكرامن الاصل

Financial Controller

Birmingham
c. \$9,500-\$10,000 p.a.

Due to expansion, a challenging opportunity has arisen with a small manufacturing company, turnover approximately £10m p.a., for a Financial Controller to assume total responsibility for the company's accounts and computer departments. Reporting to the Managing Director and assisted by the Chief Accountant, the successful applicant will be required to manage the reorganisation of the accounts department, direct its further development and improve the general accounting and computer facilities.

This position offers excellent prospects to a qualified accountant, preferably aged 35-45, with at least 4 years' financial and management accounting experience in industry. Experience of computer development work is also essential.

The company, which is part of an international financial organisation, offers good fringe benefits including a mortgage subsidy. There are also prospects of promotion to Financial Director within 2 years subject to satisfactory performance.

This position is open to male and female applicants who should send adequate details and day time telephone number, in confidence, to Diana Ashman, Personnel Services Division of:

Spicer and Pegler
Management Consultants,
3 Bevis Marks, London EC3A 7BL.

Interviews will be held in London and Birmingham.

Project Finance

We are expanding our project finance activities and require executives to undertake advisory and financing assignments in our Project Division. These appointments will involve direct contact with existing and prospective clients on a worldwide basis together with close liaison with other parts of the Kleinwort Benson Group.

The most promising candidates for these positions are likely to have had experience of international lending and negotiating ECGD credits with an established merchant or commercial bank and be in their middle twenties. Knowledge and experience of export finance, eurocurrency lending, financial mathematics and languages, together with a readiness to travel, are all desirable attributes.

Salary is negotiable and the package of employment terms includes mortgage subsidy, non-contributory pension scheme, free life assurance and BUPA.

Applicants should write with full career details and experience to:-

PEG Barnes
Assistant Director, Personnel,
Kleinwort Benson Limited,
20 Fenchurch Street,
London EC3P 3DB.

KLEINWORT BENSON
Merchant Bankers

International Audit

Paris Based Around \$30,000 Plus Expenses

Our client is an American multi-national with worldwide sales in 1978 in excess of \$4,000m. Ranking among the largest industrial organisations its interests range from chemicals, natural resources and energy to consumer products and services.

Its Paris based audit team covers effectively all operations outside North America and undertakes acquisition investigations and other ad hoc work in addition to business oriented financial, management and operational reviews. Individuals work sometimes alone, sometimes in groups, according to the scope of assignments. Line positions or opportunities to relocate to North America might arise in due course.

Initial salaries depend very much on age and experience; other benefits, in line with those expected of an international group, include all expenses whilst travelling and relocation to France where necessary.

If you

- * are single, * hold a CA, CMA or CPA qualification,
- * have a minimum of 4 years post qualification experience in either a major professional firm or a substantial international environment, and
- * are fluent in a second European language.

we would like to hear from you.

Please reply in confidence, quoting Ref. U846/FT, giving concise personal, career and salary details to R.G. Billen Executive Selection.

AMS

Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL.

Taxation Accountant

Mardon Packaging International Limited, a major manufacturer of packaging products in the United Kingdom and overseas, with annual sales in excess of £300,000,000, wish to appoint a Taxation Accountant at Group Headquarters in Bristol.

The successful applicant, who will be fully involved in the activities of the finance department, will be responsible for all aspects of the Group's taxation affairs including tax planning, advice, submission of computations and agreement of liabilities.

Candidates must be Chartered or Certified Accountants who have gained at least three years' experience of Corporate Taxation, preferably including overseas taxation, in industry or in the taxation department of a major professional firm.

A competitive salary will be paid and fringe benefits are those associated with a large, progressive group.

Please write with full career details to:
Management & Staff Secretary,
Mardon Packaging International Limited,
Clifton Down
Bristol BS8 3BJ.

Taxation Assistant

The expansion of our taxation department has created an opportunity for a young chartered accountant to develop his, or her, specialist knowledge of corporate and personal taxation. The portfolio of cases will be varied and demanding giving scope for professional and career development. The successful candidate will benefit from our in house training programme supplemented by external courses.

Whilst some experience in the work would be useful, a recently qualified chartered accountant wishing to move into tax would also be considered.

A competitive salary will be offered reflecting the experience of the successful candidate.

Please apply giving personal and career details to B.G. Drew.

Thomson McIntock & Co
12 Booth Street Manchester M2 4AW T.M.C.

SALES MANAGER U.K. - TOYS

We are a foreign enterprise manufacturing a brand-name product in the field of occupational toys for boys and girls 3-8 years and we are successfully represented in many countries. We are now looking for a Sales Manager who could assume full responsibility for the introduction in the UK of our product range.

Distribution through toy and stationery channels. Our candidate must have a personality corresponding to the importance of his/her future task, be/she must have several years of successful experience at managerial level in this line of business and must have excellent personal relations with buying offices to wholesale and retail trade, chains and department stores. Residence is expected in the London area and the successful candidate must be prepared to travel extensively. Apart from a fixed salary, we offer a commission with high income potential as well as reimbursement of expenses.

Write Box A.6939, Financial Times,
10, Cannon Street, EC4P 4BY.

ACCOUNTANT Aged about 40

Required to help run group of private companies in Romford, Essex, with view to becoming Company Secretary. The applicant need not be qualified but should have good knowledge of all accountancy practice, company law, taxation and should also be conversant with all aspects of office management. Assistance with housing can be given if required. Opportunity to join Pension Scheme after initial period. Salary commensurate with experience.

Apply in writing to Box A6926
Financial Times, 10 Cannon Street, EC4P 4BY

Barrister or Solicitor

Oil Industry

Continental Oil Company Limited, part of the world-wide international energy group, are seeking to appoint a Barrister or Solicitor to join their London-based Legal Department which is responsible for legal advice and services to Conoco's European subsidiaries.

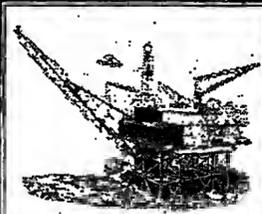
The position embraces a wide variety of activities which reflect the extent of Conoco's business interests in Europe.

The successful candidate, male or female, will have a correspondingly wide experience base gained within a commercial environment.

A competitive salary will be offered and there are the usual benefits expected from a major international organisation, including a non-contributory pension plan.

Please telephone or write for an application form to:

Mike Rayburn,
Personnel Manager,
Continental Oil Company Ltd.,
Park House,
116 Park Street,
London W1Y 4NN.
Tel: 01-493 1235



CONOCO
CONTINENTAL OIL CO. LTD.

INTERNATIONAL TECHNICAL ACTIVITIES

London to £15,000

Our client, the Technical Directorate of the Institute of Chartered Accountants in England and Wales, supports a number of major policy shaping committees serving the main UK accountancy bodies and is responsible for accounting standards, a auditing practices and legal and external matters. Of increasing importance is the role the UK profession plays internationally, involving participation in the formulation of policy, negotiations and discussion with a range of interested parties and research into accounting developments in various parts of the world.

They now wish to recruit a qualified accountant who will provide the technical and administrative support to leading members of the UK profession who serve on international committees. This is a senior appointment calling for the personal and technical qualities appropriate to someone who will represent the profession throughout the world.

Candidates, male or female, probably aged at least 30, will have a proven record of success to date in their careers, will be skilled in verbal and written communications and should have a good working knowledge of French.

For further, more detailed information on this appointment, contact Richard Norman, F.C.A. or Paul Corvoso, A.C.A. in London or Barbara Lord, A.L.P.M., M.Sc. in Scotland, quoting Ref: 2808.

Douglas Llewellyn Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-856 9501
121, St. Vincent Street, Glasgow G2 5JF. Tel: 041-228 3101
3, Castle Place, Edinburgh EH3 7AA. Tel: 01-225 7244



Livingston Development Corporation

Secretary to the Corporation

The post of Secretary to the Corporation will fall vacant in the Spring of 1980 due to the retirement of the present Secretary and Legal Adviser. The main roles of the post are Secretary to the Corporation and to act as a member of the Corporation Management Team and as head of administration including legal and personnel matters, with direct responsibility to the Chief Executive. This demanding post calls for administrative experience of a high order, preferably in public service, which is unlikely to have been acquired by persons under 35 years of age.

The salary scale for the post is £14,250-£17,000 with initial placing according to proven ability and directly related experience. The post is superannuated; assistance will be given with housing and towards removal expenses.

Suitably qualified applicants are asked to write in confidence not later than 2nd Nov. 1979, giving full details to:-

The Chief Executive,
Livingston Development Corporation,
Livingston,
West Lothian.

Envelope should be marked 'Appointment of Secretary to the Corporation'.

Managing Director

Engineering c. £12,000

Our client, one of the country's most vigorous international engineering Groups with an outstanding record of growth and profitable achievement, now requires a Managing Director for one of its autonomous subsidiaries in Yorkshire employing some 100 people.

The task is to develop and pursue aggressive policies in order to achieve the considerable growth potential of the company both at home and overseas.

Candidates, male or female, ideally aged between 30-45, must be educated to Degree level or equivalent ideally in Metallurgy, Materials Science or Engineering and must be able to demonstrate a successful career record with profit responsibility in engineering. Preferably this should embrace both sales and production management in metal extrusion or related product areas.

The personal qualities of leadership, drive and creative ability are equally essential in this demanding environment.

The salary is truly negotiable around £12,000 p.a. in addition to a profit share, pension, life assurance and permanent disability schemes, a Rover car and relocation expenses if appropriate. The Group offers tremendous scope for further career growth.

Please write in confidence, initially with brief details, quoting reference 940 to John Anderson, as Advisor to the company, at:-

John Anderson & Associates
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

INVESTMENT AND UNIT TRUSTS ACCOUNTANT

Up to £8,500 + subsidised mortgage
CITY

Our client manages a variety of investment trusts and other funds. Total funds managed amount to about £300m.

A qualified accountant is required to assist the Chief Accountant in the preparation of all management and statutory accounts as well as being responsible for all taxation matters.

Some experience of financial institutions would be an advantage but is not essential.

In addition to a salary of up to £8,500 there are attractive fringe benefits including a subsidised mortgage and non-contributory pension scheme.

Please send a comprehensive career résumé, including salary history, quoting ref. 1010/FT, to A. R. Moore

Touche Ross & Co. Management Consultants

4 London Wall Buildings,
London EC2M 5LJ.
Tel: 01-582 6644.

Jonathan Wren - Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

FOREIGN EXCHANGE DEALERS

£10-15,000
A number of our major banking clients currently wish to recruit highly experienced Foreign Exchange Traders. Candidates should be self-motivated, able to work under pressure and ideally be aged under thirty. A minimum of three years' trading experience in an active bank is required, with the emphasis on Exchange dealing although any background of involvement in Deposit dealing would be helpful.

In addition to these appointments, based in the City of London and within the salary range indicated, we can currently offer a limited number of senior dealing appointments in European financial centres and in the Middle East; salaries negotiable. Please contact ROY WEBB

SENIOR CREDIT ANALYST

c. £9,500
This challenging appointment with an international bank in the City is open to an experienced Credit Analyst aged about thirty. Candidates should have an international banking background, ideally in a U.S. bank including a formal credit training programme. The appointee will hold a senior position in an active credit analysis/administration area and should have the ability to train, supervise and motivate junior members of the department. Please contact BRIAN GOOCH

CHARTERED ACCOUNTANTS

to £9,000
This appointment, with a leading U.S. international bank is open to a recently-qualified Accountant aged approximately 24-28. The appointee will have Officer status as Manager of the department responsible for financial accounting and reporting, including control of the bank's overall foreign money position. Preference would be given to candidates with some background experience in banking, which may have been gained on professional audits.

In addition we have a number of other banking openings for qualified Accountants in various departments, including Accounting (prospects of Credit Analysis), Audit and Corporate Finance. Please contact KEN ANDERSON

First floor entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

C&L

East of Scotland c.£14,000 + car

FINANCIAL CONTROLLER

Our client is involved in the design and construction of substantial offshore structures for the exploitation of oil, gas and mineral reserves.

Reporting to the Chief Executive, the person appointed to this post will be responsible for both financial and management accountability functions. As a member of the company's small senior management team, the man or woman appointed will be expected to provide a major contribution towards the detailed tendering, planning and control of major contracts. This important work will necessitate detailed involvement in the development of systems and controls as well as the day to day running of the business.

Candidates must be qualified accountants aged from 30 with in-depth experience of accounting for substantial contracts in a related industry.

Brief but comprehensive details of career and salary to date, which will be treated in strictest confidence, should be sent to C. R. Williams, Executive Selection Division, Ref. MF953 at the address below. Please include a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES (SCOTLAND) LTD.
Management Consultants
Highland House, Waterloo Street, Glasgow, G2 7DB.

PROGRAMMERS - ANALYSTS

TO WORK IN CANADA

M & S Management and Systems Consultants is a dynamic data processing consulting firm located in Toronto, Ontario, providing systems and programming expertise to clients. M & S consultants are involved with a wide range of hardware and software in a variety of stimulating application environments.

WE ARE COMING TO YOU

If you have experience with the design and implementation of any type of application system or, if you have experience with programming in COBOL, PL1, FORTRAN or BASIC, or, if you know or would like the opportunity to learn IMS, TOTAL or CICS — we want to talk with you!

Members of M & S's staff will be in London the week of October 29th. Sans your resume to Sergio Zapotocky in Toronto, who will contact you to set up an interview. Inquiries will be treated in confidence.

M & S Management & Systems Consultants
35 High Park Avenue, Suite 2507
Toronto, Ontario
M5P 2R6
Canada

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

Challenging opportunity for an effective man-manager with prospects for advancement

DIVISIONAL SALES DIRECTOR

SOFT DRINKS

Salary £10,000 plus benefits plus car

COCA-COLA SOUTHERN BOTTLERS LIMITED, A MAJOR SUPPLIER OF SOFT DRINKS
TO THE LICENSED AND RETAIL TRADES

We invite applications from Sales Managers, male and female, in their 30's who have at least 4 years' senior sales management experience, gained in a tough, fast-moving consumer goods field—consumables or durables using modern selling techniques and disciplines. Exposure to the licensed trade and appropriate contacts in the multiple chains would be an advantage. The prime responsibilities of the selected candidate will be to: lead a sales team of up to 90 people; negotiate on behalf of the Company at senior levels and represent the Company at trade associations and public functions. Essential qualities, besides effective man-management and selling skills, are a professional manner, public speaking abilities and the drive to obtain sales objectives. A salary of £10,000, plus car, contributory pension, free BUPA and relocation expenses if necessary. Applications in strict confidence under reference DSA3943/FT, to the managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE 01-588 3588 or 01-588 3576. TELEX 887374.

R.E.P.
Recruitment of Executive Personnel

Are you looking for a new climate?

We have been retained to advise on appointments by one of the largest Trading Companies in Saudi Arabia who have won the concession to introduce the Layland Product into the whole Kingdom. Our client urgently requires:

BRANCH MANAGERS c. £20,000
PRODUCT SPECIALISTS c. £15,000

You are obviously numerate and if you have motor industry experience progressing into management, then you will be a natural for these positions; providing of course you have the necessary personal qualities. You will have to be stimulated by the challenge of these opportunities; resilient; determined; in fact, supremely confident in your ability to overcome problems. You will have had some experience in modern marketing methods. Our client offers full family accommodation; an excellent package of overseas benefits including family paid flight back to the U.K. for holidays; the opportunity to keep more of your salary than you ever have before; an initial two-year contract with good career prospects if you wish to renew your contract.

The launch is programmed for January, 1980. You will be expected to have your initial induction, training completed and be on location by the end of this year. The final interviews will be conducted by our client in November. To apply, you can take the first step by contacting the Consultant advising on these appointments, quoting Branch Managers reference FT/0225; Product Specialists reference FT/0229.

Bob Pearce, Managing Director,
R.E.P. CONSULTANTS LIMITED
14 Barker Street, Nantwich, Cheshire. Tel.: Nantwich (0270) 626828.
Ansafone after office hours.

Hudson Shribman *Banking
Recruitment
Consultants*

BANKING & FINANCE

ACCOUNTS MANAGER: Applicants must have American credit training. £7,000-£10,000.

QUALIFIED ACCOUNTANTS: Special projects, audit and inspection and management and financial reporting are positions we wish to recruit for. Applicants must be aged 25-30 and a facility with languages, good EDP exposure and a wish to travel would be added attractions. £7,500-£9,000.

OPERATIONS MANAGER: A good knowledge of foreign exchange, midas computer applications and accounting. Aged 28-32. c.£10,000.

PROJECT FINANCE: Basic operations experience essential for this senior marketing position. Aged 25-28. £9,000-£11,000.

F.X. DEALER: Seeking further experience and a broader base. Aged 24-28. £8,000-£10,000.

GRADUATES: Wanting a career in Banking and possessing good academic records. Aged 21-25. £4,500-£6,500.

Please reply in the first instance to Mike Jackson

Hudson Shribman International Ltd
29-31 Mitre Street, London EC3
Tel: 01-283 1954

Chief Management Accountant

South Wales

Around £9500

to join a major international engineering company.

Reporting to the Financial Director, the successful candidate will be expected to make a major contribution to the development and implementation of modern management information and control systems covering all aspects of the company's affairs. This is a challenging and worthwhile job that has considerable career potential.

Candidates, probably aged 28+, should be qualified accountants with proven experience of accounting standards and costing techniques in an industrial, preferably engineering, or commercial environment. Good man-management skills plus the ability to sell cost and management control ideas at all levels in the organisation is essential. Experience of computerised accounts would be a distinct advantage.

Excellent benefits. 5 weeks' holiday. Bonus. Re-location assistance.

Please telephone (01-629 1844 at any time) or write in the first instance for a personal history form. R. L. H. Whitney ref. B.1429.

This appointment is open to men and women.

AGL CONFIDENTIAL 17 STRATTON STREET
RECRUITMENT LONDON W1X 6DB
A member of MSL Group International

Head of Market and Information Services

SOLIHULL c.£10,000 + car

Industrial and Commercial Finance Corporation Limited is owned by the clearing banks and the Bank of England. It is a private sector commercial institution providing loan and equity finance to smaller and medium sized companies. There are eighteen offices throughout the UK and our Management Advisory Services are based at Solihull.

We are now seeking someone to build and lead our Market and Information Services section as an important contributor to the Corporation's decision making. The post will be based in our offices at Solihull.

He or she will assist other members of the organisation in the task of assessing investments by:

- Providing efficient information, library and related services with appropriate retrieval and indexing arrangements.
- Operating a rapid fact gathering/digesting service on a specified market or industry, as requested.
- Personally writing reports on specific markets and companies' positions in their markets.

Candidates, probably not under 30, should have substantial experience of analysing the market and economic characteristics both of specific industry sectors, and of individual companies. Such experience could have been gained in research for stock broking firms or in corporate planning. They should be graduates, probably in economics, science or engineering. They should have a wide range of existing contacts with sources of relevant information and will be able to write concise, clear reports.

Salary about £10,000 plus car and attractive fringe benefits. Removal expenses if necessary.

Please send full CV in confidence to **N W Lewis, Chief Industrial Adviser, ICFC Limited, Redcliffe House, Blenheim Court, Solihull, West Midlands, B91 2L B.**

ICFC

Financial Controller

Birmingham

Salary up to £9,000

Our client, a highly successful Birmingham-based manufacturing company, is seeking to recruit a qualified Accountant.

Reporting to the Financial Director, the Financial Controller will be responsible for the management accounting records and the supervision of ten people. Specific duties will include the preparation of budgets and regular management accounts. The company currently utilises a visible records computer for its financial accounting records.

The ideal candidate will be aged 28 to 35 with several years' post-qualification experience in both financial and management accounting gained preferably in a small to medium sized manufacturing company.

Interviews will be held in Birmingham.

This appointment is open to both male and female candidates who should send adequate particulars including a daytime telephone number to John Carrier, of:

Spicer and Peggler Management Consultants,
3 Bevis Marks,
London EC3A 7EL.

c.£14,000 p.a.

Managing Director

MIDLANDS Consumer Products

Graduate or equivalent with a consumer products background. Man or woman aged 35-45. Proven track record in general management with profit responsibility. A tough operator with the ability to achieve a company turn-around and future profitable growth. Outstanding career opportunity with large industrial group. Excellent fringe benefits include pension/life cover, company car, BUPA and relocation expenses.

Suitably qualified candidates please phone 01-493 7117 for application form quoting MRD 9032 (24 hour answering service).

MRD

Management Recruitment Division
BOYDEN INTERNATIONAL LTD.
11/15 ARLINGTON STREET, LONDON, SW1A 1RD.
LONDON, PARIS, BRUSSELS, GENEVA, ROME, MILAN,
MADRID, BARCELONA, TOKYO, HONG KONG, CALABAS,
MEXICO CITY, SAO PAULO, AUCKLAND, MELBOURNE,
SYDNEY, JOHANNESBURG AND THROUGHOUT THE USA.

Finance Director

Public Company Around £20,000

The Business
Vertically integrated from design and manufacturing through to retail distribution, fast moving but with a quality and fashion bias. North-west London based.

This Appointment
Executive responsibility to the Board for the complete finance function including advanced DP facilities. In addition a major contribution will be expected towards the consolidation of growth and the control and direction of the achievement of the company's business potential.

The Candidate
Emphasis in selection will be towards range of experience, maturity and commercial judgement and applications are invited from qualified accountants aged c. 40 upwards.

The Remuneration
Salary and profit share around £20,000 plus car, pension etc.

Please write quoting reference FT18/FT to the company's advisers

R. J. SILVER & ASSOCIATES LIMITED
Management and Recruitment Consultants,
23/24 Great James St. London WC1N 3ES. Tel: 01-242 9172

NEWLY / RECENTLY QUALIFIED

A TRAINING IN MANAGEMENT CONSULTANCY

Our client is the Management Consultancy Division of a major international practice. Conducting a wide range of assignments for industrial and commercial clients in both the private and public sectors, the firm has established an impressive growth record. There is a strong computer and management systems bias and the structured training programme will, during the first year, include a number of weeks in the U.S.

Candidates, aged 24-27, should be qualified accountants with a Degree and a high level of practical achievement. A committed, motivated attitude is essential to identify with the firm who will give successful candidates increased responsibility at the earliest opportunity.

Salary will reflect background and potential, and income progression will be rapid for those performing well. The appointments are based in London.

For more detailed information and a personal history form, contact Ian Tomlinson or Nigel V. Smith, A.C.A., quoting reference 2627.

Commercial/Industrial Division
Douglas Lumbias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0EJ. Tel: 01-636 8501
121, St. Vincent Street, Glasgow G2 3HW. Tel: 041-229 2101
3, Conyngham Place, Edinburgh E12 2AL. Tel: 031-225 2244

DLA

Williams & Glyn's Trust Company Limited

TRUST OFFICER

There is an opening in our Manchester Office for a Trust Officer. Applicants, ideally aged 25 to 35, should have several years' experience in administering estates and trusts and should be appropriately qualified.

Salary will be negotiable from £5,500 per annum, depending on qualifications and experience, and benefits include house purchase scheme and four weeks' holiday.

Please write with career details to:—
B. C. Riley,
Personnel Department,
Williams & Glyn's Bank Limited,
45 Wesley Street, Manchester M60 2BE.

Senior Financial Management

Birmingham Circa £8250/car

For this responsible and practical management role our clients are seeking a qualified accountant, probably over 30, with either commercial or professional office experience. The company is a large multi-location manufacturing organisation and the currently vacant position embraces responsibility for the development of systems and the control of cash on a National basis. The job calls for creativity and drive coupled with maturity; there is an all embracing involvement in the company's business with considerable inter-face at various management levels. This is a contributory function with a staff responsibility of around 60 people and additional challenging management responsibilities will develop in the medium term.

Please telephone 021-622 3838 at any time or send full career and personal details to **John L. Overton, F.C.A., M.B.E.C.I., Overton Management Selection Limited, Monaco House, Bristol Street, Birmingham B5 7AS, quoting reference 3/163.FE.** Applications are welcomed from men and women.

OVERTON MANAGEMENT SELECTION

Recruitment Consultant

£12,000+ with car
and equity participation

An expanding young management consultancy with an international clientele wishes to appoint an additional consultant to operate from offices in Windsor and London. Of particular interest would be a qualified accountant with wide personal and business contacts. The realistic earnings potential is well into five figures.

Please contact, in confidence:
Robin Podd, BSc, MBA
BARNETT-KEEL INTERNATIONAL LTD,
Provident House, River Street, Windsor, Berkshire SL4 1QT.
Tel: Windsor 6572

مركز من الاجل

General Manager

Merchant Banking Australia
\$A35,000-40,000 Negotiable plus car and other benefits

One of Australia's large Merchant Banks whose shareholders include an Australian Bank and other international banking groups, has sought our assistance in the appointment of a General Manager of a subsidiary company. The subsidiary company is an integral part of the Bank's Australian operations and will be concerned with augmenting the Bank's thrust in the corporate advice sector of merchant banking. This implies a creative approach to capital restructuring, underwriting, development of lending opportunities and particularly primary involvement in merger, acquisition and divestment activities for substantial corporate clients. Experience sought will have been gained in the mainstream of financial activity in Australia in a merchant banking or stockbroking context. A track record of achievement in Australia is considered essential. The position will appeal

particularly to an Australian living abroad or to other nationals who are thoroughly experienced in the Australian corporate and financial system. Tertiary qualifications will be well regarded, but are not a substitute for experience in this specialised field. Age is flexible from mid 30s to late 40s. The above remuneration figures are given as a serious indication of the calibre of executive sought. SECURITY: No details disclosed nor enquiries made without your permission. For written replies please supply relevant details, including telephone numbers and quote reference No. 370720. We would be happy to enlarge on this position if you care to telephone Melbourne (03) 699 1711. Applicants for this challenging position are invited to send a curriculum vitae and personal particulars, together with a photograph to:

PA Consulting Services Pty Ltd

Personnel Services Group, Box 5252 BB GPO Melbourne 3001, Victoria, Australia



A member of PA International

Finance Director

West Midlands

c.£13,000

A rapidly growing, private engineering company is outstripping its accounting systems and its general management skills, leaving the M.D. rather isolated. The position, therefore, carries responsibility for developing appropriate accounting systems, training management in their use and providing commercial expertise throughout the business.

commercial expertise, ideally in engineering. The remuneration package is excellent and can include a significant equity stake.

Applications, which will be treated in strict confidence, should contain details of career and salary progression, age, education and qualifications.

The position calls for a qualified accountant, aged in the early thirties with substantial

Please write to: I. F. Bowers quoting reference 738/FT on both envelope and letter.

Deloitte Haskins + Sells
Management Consultants

128 Queen Victoria Street, London EC4P 4JX

Q S BANKING RECRUITMENT CONSULTANTS

Senior Lending Officer £14,000+
Lending Officer (Aircraft Finance) £14,000
Systems/Computer Manager £12,000
ACA Chief Accountant for expanding Leasing Co. c.£10,000
Bank Accountant £8,000+
Please phone Mike Pope 236 0731
30-31 Queen Street, EC4

MARKETING REPRESENTATIVE

Leading American Avionics Manufacturer is seeking Paris-based qualified Marketing Representative for Europe and Africa. Duties would include marketing navigation and other avionics equipment to civil airlines and military air forces. Fluency in English absolute requirement, with knowledge of French desirable. Please send in confidence CV, salary requirements and picture to:
Box F1159, Financial Times
10 Cannon Street, EC4P 4BY

Financial Executive

Young Chartered Accountant Brussels, c. £18,000

For an international contracting company involved in third world turnkey projects. Reporting to the Group Financial Controller the successful candidate will join a small, young and energetic team providing the total finance function. Responsibilities will include project appraisals and proposals, international funding, negotiations on the purchase of equipment, cash flow forecasts and consolidations.

This will provide the grooming for progression to involvement in top level financial decision making within the short term and so the highest level of ambition and commitment is required. Aged 27-32 applicants, ideally but not essentially graduates will have post qualification experience in either a contracting or heavy industrial environment. Benefits and prospects are excellent.

N.P.S. Lilley, Ref: 22158/FT.

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARLISLE, GLASGOW, LEOS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

INVESTMENT MANAGER

Save & Prosper are expanding their investment management department and a further executive is required to join the existing management team.

The primary responsibility of the executive will be the management of unit trusts investing in the United Kingdom, but the applicant will also be involved in investing in international markets and with overall investment strategy.

The successful applicant will—
— have previous investment management experience
— be able to work on their own initiative
— be interested in a continuing career with the Company.

Commencing salary will be commensurate with experience. Employee benefits include non-contributory pension & life assurance and a car.

Applications, which should include a curriculum vitae and current salary, will be treated in strictest confidence and should be sent to:

P. J. Manser
Investment Director
Save & Prosper Group Limited
4 Great St Helens
London EC3P 3EP

SAVE & PROSPER GROUP

FINANCIAL DIRECTOR (DESIGNATE)

A. H. McIntosh & Company Limited is a leading domestic furniture manufacturer, with two factories in Scotland employing approximately 850. Based at Kirkcaldy, Fife, it is a private "family" company which now has a small number of important institutional shareholders. The senior management team requires someone with specific responsibility for financial management and the overall development of systems of financial information and control. The company is developing the use of computer systems and an effective accounting staff led by a qualified Chief Accountant. Initial appointment will be as Financial Executive/Company Secretary and Board appointment should follow within two years.

The person appointed will possess an accountancy qualification and be able to demonstrate significant experience of financial management, cost control and of an understanding of various aspects of general management, preferably in industry. Salary in the region of £12,000 (plus car, contributory pension, etc.). Assistance with relocation will be offered.

Applications with full personal details in strict confidence to:
R. W. Adams, Esq., FCMA, J. Op.M.A., Managing Director

A.H. MCINTOSH & CO. LTD.
KIRKCALDY KY1 3LX

FINANCIAL DIRECTOR (designate)

WE ARE a private manufacturing company located in the East Midlands employing 1,000 people, with an unbroken ten-year profit record and currently with profits in excess of £1.5m. owner managed, ambitious and progressive, and bursting with ideas for our future growth. we have a small management team and seek a real professional to join us to head the finance function.

ARE YOU a shirt-sleeve accountant who can grow with us. experienced in industry and yet still regard the best of British industry to be the best in the world. have you got drive, enthusiasm, technical knowledge, leadership and inventiveness.

WE OFFER this opportunity to join us and grow with us—the only limiting factor being yourself! salary package? Forget it... much better than you are currently earning, and YOU determine your own future salary and conditions.

Write and tell the Chairman and Managing Director what you have to offer. Full details please: Write Box A.6931, Financial Times, 10 Cannon Street, EC4P 4BY.

County of Cleveland Deputy Loans and Investment Officer

Salary c. £6,500 (under review)

The person appointed would be a leading member of a small team administering the Superannuation Fund investment portfolio (value £53m with annual investment of £7.8m) and the loan debt of the Council (£230m). The investment of the Superannuation Fund is partly "in-house" and experience in research and investment is required. A relevant qualification would be an added advantage. There will be further career opportunities within the Section in the near future.

Application forms from County Treasurer, P.O. Box 100, Municipal Buildings, Middlesbrough, Cleveland TS1 2QH. Tel: 0942 281155 Ext. 2507. Closing date: 20th October, 1979

THE TIMBER TRADE FEDERATION has a vacancy for an INDUSTRIAL RELATIONS ADVISER

who will also be Secretary of the National Sawmilling Association. Candidates must have practical experience in handling of negotiations with trade unions and be able to advise members on all aspects of industrial relations, including employment and safety legislation and training. Experience in an employer's organisation is desirable.

Salary negotiable according to experience. Candidates should send applications, with details of their present remuneration, marked "Personal and Confidential" to the Director-General, The Timber Trade Federation, Clarendon House, 47 Whitcomb Street, London WC2H 7DL.

COUNTRY STOCKBROKING HILL OSBORNE & CO.

We have a vacancy in our Lincoln office for an ASSOCIATE MEMBER with a sound investment business. We can offer support services for the development of private clients' business and a fully competitive remuneration package. Telephone or write in the first instance to D. C. Strange, 47 Silver Street, Lincoln. (0522) 28244

MANAGING DIRECTOR

A technologically advanced, electronics based Group of Companies with turnover £20-30m wishes to appoint a Managing Director. Products are manufactured and marketed in the U.K. and Europe with a growing proportion of EEC business.

The person appointed will report to the Executive Chairman and be charged with taking this successful company through the next stage of its development.

The Managing Director of this public company should be familiar with international company operations, but an entrepreneur by nature. A good engineering background is desirable, self-confidence and ambition are essential.

Salary will be negotiable and highly competitive.

This position is open to male and female applicants. Letters of application accompanied by CV, quoting reference S/95/FT will be forwarded to the management consultants advising on this appointment.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

Chief Accountant

c.£11,500+ car + benefits

R. White & Sons Ltd. is the soft drinks subsidiary of the Whitbread brewing group. We now have an important vacancy for an experienced man or woman at our East London office.

Reporting to the Financial Director, you will be responsible for 40 staff and day-to-day activities including statutory accounting, financial accounting, sales and purchase ledgers, salaries and wages and cash.

This is a senior management appointment, and you will be expected to contribute to the formulation of business policies and objectives.

Applicants, who should be graduates and in the age group 25-40, must have a minimum of 4 years' post-qualification experience in industry, and be able to demonstrate management ability. Previous experience of computerised systems is desirable, and we will encourage career progression within the Whitbread group.

We offer an excellent starting salary which will be supported by the range of benefits expected of a major organisation, including assistance with relocation where appropriate.

Please write to or phone for an application form: Pauline Pryor, Recruitment Administrator, Whitbread & Co. Limited, Chiswell Street, London EC1Y 4SD. Tel: 01-606 4455. Please quote ref: SD/2.

WHITBREAD



Assistant to the Financial Controller

c. £10,000 London (West End)

Due to continued expansion, a high grade Accountant of strong management potential is required, to assist in the day to day financial control function, in the head office of a major Group with wide interests in the leisure industry. The successful candidate is likely to be a qualified Accountant in the mid-twenties to mid-thirties, who has gained mature experience in commerce or has reached managerial status in professional practice.

Responsibilities will include consolidations and interpretation of Group accounts, appraisal of possible acquisitions and ad hoc exercises. This is a progressive position providing considerable scope to widen experience and offering excellent career prospects.

Please write or telephone to D. G. Muggidge (Ref. 6452). This appointment is open to male or female candidates.

mh Mervyn Hughes Group
213 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants 01-404 5801

Financial Analyst Major International Bank

The Grindlays Bank Group is one of Britain's largest international banking organisations employing some 13,000 people in 35 countries.

To strengthen its Group Management Accounting team the bank is appointing an additional Financial Analyst at its City Head Office to assist with financial reporting activities and to work on a wide variety of projects Group-wide.

Candidates, probably aged under 30; must be qualified accountants with well-developed inter-personal skills, who ideally have experience of the following:

- * working in the Head Office of an international bank or other multi-national corporation
- * accounting for foreign currencies
- * management accounts design
- * graphic presentation of figures and use of statistics
- * computerised accounting

Salary is negotiable and an excellent benefits package includes subsidised mortgage and non-contributory pension.

Please write with full career details to: Andrew S. May, Grindlays Bank Limited, 36 Fenchurch Street, London EC3P 3AS.

Grindlays Bank Limited

Manager, European Development Bedfordshire c.£14,000

Our client is the European arm of a Division of one of the world's largest Companies. Current operations comprise three Plants, sales forces in four countries and representation in the remainder of Europe. A major objective is to achieve substantial growth in the next five years of what is at present a comparatively modest market share.

The Manager, European Development (a newly-created appointment) will be the principal architect of this growth, will report to the General Manager, Europe, and will be responsible for research, programme planning, potential acquisition identification and overall business strategy development in Europe.

Candidates should have a strong background in business analysis and development and an M.B.A. would be a great advantage. They must have had at least five years in an industrial appointment and, ideally, have considerable knowledge of the machine tool industry.

This appointment offers excellent opportunities for personal career development.

In the first instance, please send a brief career summary to David Dillistone at the address below. All applications will be treated in confidence and your name will not be disclosed to our client without prior consultation.

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Young Qualified Accountants

c.£9,000 - City based

Shipping has been the main activity of this major Group since the last century. It has since diversified into offshore oil, hotels, insurance broking and engineering - including micro electronics. It has many subsidiaries in the U.K. and overseas. These posts, based at Group H.Q. in the heart of the City, call for young qualified Accountants - probably, but not certainly, C.A.s.

Financial Accountant

A "main stream" post, covering both financial and management accounting, including consolidations, budgets, cash flow forecasting, and the development and maintenance of Group accounting standards. Reference 9124/MDP.

Assistant to Group Finance Co-ordinator

A treasury post concerned with acquisitions and disposals, raising capital, project appraisal, investigations and foreign exchange. Experience of EDP and internal audit would help. Reference 9125/MDP.

Applications, which may be from male or female candidates, will be treated in complete confidence and should be sent, quoting the appropriate reference and giving full career details, to Malcolm Peel.

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Telephone: 01-836 1707 (24 hr. service) quoting Ref: 03591/FT. Reed Executive Selection Limited, 55-56, St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates.
London Birmingham Manchester Leeds

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Engaged in the provision of services to the oil industry, our client operates on a worldwide basis. The company currently has a compound growth rate of 25% and revenue in 1978 increased 32% over the previous year. Profitability is exceptional by virtue of a dominant market share.

The company's growth has created the need for two further appointments in the finance function.

HEAD OFFICE ACCOUNTANT Circa £8,500

Reporting to the Chief Accountant, the successful candidate will supervise six staff in the provision of a complete financial service for a given region, monitoring performance and maintaining close contact with senior regional management.

Candidates will be recently qualified (A.C.A./A.C.M.A./A.C.C.A.), possibly in their mid 20's, and with the ability to liaise effectively with management of varying disciplines.

CORPORATE AUDITOR To £11,000

The Corporate Auditor will be responsible to the Audit Manager within this recently established function for carrying out operational reviews on the company's activities throughout the world with the objective of maximising the group's efficiency and profitability.

Candidates, probably in their mid to late 20's, should be qualified accountants who have had exposure to advanced accounting and reporting systems. Experience of U.S. corporations would be advantageous. In addition, candidates should be able to communicate effectively with financial and operating management at all levels both in verbal and written forms.

The planned continued growth of the company will provide attractive opportunities for career progression both in the U.K. and overseas.

For more detailed information and an application form contact Robin F. Taylor, B.A., C.A., or Nigel V. Smith, A.C.A. quoting reference 2630.

Douglas Lambias Associates Ltd.
Accountancy & Management Recruitment Consultants
410, Strand, London WC2R 0NS Tel: 01-836 9201
121, St Vincent Street, Glasgow G2 5HW Tel: 041-226 3101
3, Colston Place, Edinburgh EH3 7AA. Tel: 031-225 2244



Chief Accountant

Salary c.£15,000 + Company Car

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The Company is based in Hatfield, Herts, and supplies a population of about 1,000,000 over an area of 860 square miles to the North of London.

The issued capital of the company amounts to £20m and the annual income/expenditure is almost £9m. The Chief Accountant is responsible for the company's computerised financial accounting systems, for the preparation of interim and annual accounts and annual budgets. A knowledge of company taxation and pension scheme administration is desirable. The staff under the direct control of the chief accountant numbers in excess of sixty.

The person appointed will be required to join the Water Companies Association (contributory) Pension Scheme.

Assistance with relocation expenses will be provided where appropriate.

Applications giving details of present appointment with salary and all other relevant information, including qualifications and experience together with the names of two professional referees, should be addressed to:- K. J. Reynolds, General Manager, Lee Valley Water Company, Bishops Rise, Hatfield, Herts, marked 'CONFIDENTIAL' so as to arrive not later than Monday, 29 October, 1979.

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The job will appeal to a chartered accountant already in a supervisory position either in the profession or in commerce. This is an outstanding opportunity to gain first hand knowledge of international business techniques, and there are excellent career prospects both in the short and the long term.

Salary and benefits are in line with those offered by a major international company.

Please apply in writing with detailed C.V. to:-
Mrs. R. Hales, Manager Personnel Services and
Compensation, Hertz Europe Limited,
Isleworth House, Great West Road,
Isleworth, Middlesex TW7 5JF.
Telephone: 01-568 4422.



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This is a key, London based, senior appointment, the purpose of which is to co-ordinate, control and rationalise the entire accounting, financial and administrative functions of the operation, comprised of some 80 locations. The responsibility will be for the production and presentation of both statutory and management accounts and for the conduct of investigations into procedures and systems, with the primary aim of profit improvement. Reporting will be directly to the Company Board, with some functional lines to the Group Board.

You will need to be a qualified accountant, ideally with commercial experience gained in the retail industry. A knowledge of computerised accounting and control systems and possession of the personal qualities and skills necessary in a broad administrative management role are essential.

An attractive five figure salary will be offered commensurate with the senior responsibilities of this position. A Board appointment is intended.

A company car (new Ford Granada) will be provided and there are other excellent benefits.

Please write giving a full curriculum vitae, stating the name of any organisation to which your letter should not be sent, to:-

T. G. West, Managing Director (Ref 481)
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and advisory needs of top level management.

Currently there are vacancies in London, Bristol, Edinburgh, Liverpool and Nottingham; others may arise elsewhere. For more information about these opportunities ring Bill Bingham on 01-212 0272 or Mike Dymond on 01-212 0508.

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Financial Controller

Swindon, c. £11,000

This position is with a leading manufacturer of high technology products having industrial, medical and scientific applications. It carries broad responsibilities including those of company secretary and the incumbent plays a major role in shaping the commercial operation of the company. Candidates, ideally aged 28-35 and

qualified, must have had experience with a manufacturing organisation. They must be confident, strongly self-motivated and have well developed management skills with particular emphasis on communications. Career prospects are excellent and the attractive range of fringe benefits includes generous relocation expenses.

E. Sutton, Ref: 17099/FT.

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.

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Please telephone or write with a full cv. to:
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مكاتبنا في لندن

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An expanding British public group with a turnover of £20m is establishing for the first time, a Head Office management team to direct the company's development at group level. Working with the Finance Director you will be responsible for reviewing, designing and implementing accounting systems and procedures throughout the group and will be closely involved with acquisitions, as plans include substantial diversification.

E. Sutton, Ref: 17077JFT.
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London E3 c. £10,000 + car and profit share

Our client is an old established, expanding and profitable private group comprising two companies, one selling a range of specialist machinery to the food, confectionery and pharmaceutical industries and the other providing shipping and forwarding, warehousing and transport services. They now wish to recruit a qualified accountant to join the management team.

The successful candidate will be responsible to the Financial Director for the control of all aspects of the accounting, office management and administrative functions, including the preparation of quarterly accounts. Systems are mechanised and there is a joint accounts staff of six. The controller will also be expected to be involved in all aspects of the business including an efficient back-up service to the operating Directors with reference to the sales effort and customer service.

The post would suit someone aged 35-45, used to the flexible atmosphere of a director controlled business. Versatility and a sense of humour are vital ingredients, whilst some knowledge of this type of business would be helpful. The salary is negotiable around £10,000 p.a. plus profit sharing, car and good fringe benefits, and there are excellent progression prospects.

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West of London £9-11,000

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This has created the need for an additional member of the finance team, who will be expected to develop the financial and modelling systems required to take them through the 80's, as well as providing the necessary advice and control over a large part of the existing business.

Candidates should be qualified accountants and/or M.B.A.'s in their mid/late 20's with a minimum of 18 months' experience in a sophisticated fast moving environment, and who can demonstrate a strong personal presence. This is seen as a creative role, vital to the company's continued growth and the successful candidate can expect rapid promotion either inside, or outside Finance.

For further information and a personal history form, please contact Nigel V. Smith, A.C.A., or Ian Tomkinson quoting reference 2828.

Commercial/Industrial Division
Douglas Lombard Associates Ltd.
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 410 Strand, London WC2R 0NS, Tel: 01-836 9501
 221, St. Vincent Street, Glasgow G2 3ET, Tel: 041-228 2101
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Financial Controller South Essex Salary Negotiable

Teleflex Morse Limited require a qualified Accountant for their Aviation Unit employing 100 people in the manufacture of crew seats and aviation controls.

Reporting to the General Manager, responsibilities will include financial control, planning, management accounting and development of our computerised systems.

The person appointed will probably be within the 30 to 40 years age group and have manufacturing industry experience and the personality and ability to make a positive contribution to the management and profitability of the unit.

In addition to an attractive salary, relocation expenses will be met in appropriate cases.

Please send a curriculum vitae or telephone for an application form to:-

Mr. D. Rainey, Personnel Executive, Teleflex Morse Limited, Christopher Martin Road, Basildon, Essex. Telephone: Basildon 22861 Ext. 246.



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 London EC2R 6AY.



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Should this opportunity interest you please write enclosing c.v. to:-

R. STEELE, Esq.,
 Staff Manager
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 105-108 Old Broad Street,
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Touche Ross & Co. Management Consultants

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 Tel: 01-588 8644.

Assistant Financial Controller

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If you wish to apply, write to:

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Chief Accountant

Attractive five figure package & executive car — UXBRIDGE

The market leader in the field of electronics packaging, wishes to appoint a professionally qualified accountant with sound financial expertise able to make a significant contribution to our finance function. Applicants will need well developed financial skills plus the ability to communicate authoritatively at director level. Responsible direct to the Finance Director, you will control the financial and management accounts including the preparation of budgets, reports and forecasts.

Excellent prospects for even greater management responsibility exist both within the company and its diversified publicly-quoted group. This is a challenging opportunity to consolidate your career in a fast-moving and expanding organisation.

Please submit details of curriculum vitae in confidence to:

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 Ashley Works, Ashley Road
 Uxbridge
 Middlesex UB8 2SQ



This appointment is open to men and women

Financial Controller

KUWAIT c. £18,000 Negotiable

An international trading company with offices in many parts of the world wishes to appoint a Financial Controller to manage its operations in Kuwait and the Gulf.

The person we seek is a young Qualified Accountant with several years commercial experience, some of which has preferably been gained overseas. Initiative, responsibility, self-reliance and judgement are the key qualities to bring success in this challenging appointment.

Terms are for discussion at interview. Please apply in writing, giving a telephone number where you can be reached and quoting ref R136, to Robin Podd B.Sc., M.B.A., Barnett Keel International Ltd., Providence House, River Street, Windsor, Berkshire SL4 1QT. Tel: Windsor 56723.

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CREDIT ANALYST

£6,500

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 10 Cannon Street, EC4P 4BY

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THE ARTS



Alan Howard and Sinead Cusack

Aldwych

The Children of the Sun

by B. A. YOUNG

The Protassovs' household is a vast pseudo corner. Pavel Fiodorich, the master, is an amateur scientist unable to achieve any practical results.

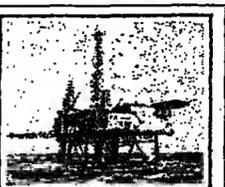
The workers, even their own servants, have no part in such a world. When Pavel is asked to mix some kind of deodorant for the drains, whose stink is particularly suspicious as there is cholera about, he declines with hauteur, just as later he refuses to offer to head a great new municipal chemical works.

The conduct of affairs verges always on the edge of farce.

St. John's, Smith Square

Singcircle by ANDREW CLEMENTS

As composition teachers are apt to observe, making beautiful sounds from unaccompanied voices is a relatively easy task. There was much to beguile the ear, therefore, in Singcircle's concert at St. John's on Tuesday.



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even when it is dealing with such serious affairs as love and death. Terry Hands's direction plays the emotions for all they're worth. Apart from the servants, Boris is the only one who seems to have both feet on the ground, and he is the first one to crack. Alan Howard plays him with a tenderness that is almost concealed by his reserve.

It is all splendidly done. Carmen du Sautoy, as Eiyena, who at first seems as unstable as any of them, proves the best of all of them at controlling herself, even of controlling the servants, which is beyond the power of the others. The servants, all the same, are not all held up as models of working-class behaviour.

Stimmung has become the archetype for much of the music being written for groups like Singcircle today. But where Stockhausen uses sustained, hypnotic sounds to establish a profound meditation, there is a suspicion that now the static sound complexes are the finished product, that any further musical interest is unnecessary.

Covent Garden

Ashton Tribute

by CLEMENT CRISP

Sir Frederick Ashton's central importance to the Royal Ballet's achievement needs no further repetition. When we watch the company we see at every moment the influence of his genius, in the physical and emotional attitudes that mark the company's identity.

At the heart of the programme Symphonic Variations remains one of the key works in the company's history, a statement about the classic manner which he has bestowed upon English dancers. Musical, unforced, its serenity and assurance were eloquently present on Tuesday in the dancing of Merle Park, Jennifer Penney and Wendy Ellis.

The Dream, like each piece in the triple bill, is testimony to Ashton's theatrical craft: detailed analysis of its form will

his wife, whom he feels he has the right to beat when he likes; Malcolm Storry's towering figure is always comic rather than menacing. The house and its garden are quite well represented in Chris Dyer's set by a fence of tall wooden palings and three movable screens, and Mr. Hands keeps the action running through it at a great pace. Sometimes the humour comes too near the fore, as when Dmitri says "I have an antipathy to anything sick," and Pavel asks immediately, "What about that picture of yours?"

A sad peace descends at last. The misjudged loves are settled, and poor Lisa (Sinead Cusack), driven out of her mind by Boris's suicide, drifts downstage gently singing a folk song, as mad girls in the theatre always do. The play is really an early black comedy. Those who feel, like me, that what we had come to The Hyloos we were scraping the bottom of the Gorky barrel may take heart. The Children of the Sun is a good blend of entertainment and wisdom, even if it doesn't go very deep.

echoed and prompted but ultimately overstayed its welcome.

Grateful thanks, then, for the cruder world of Cage's Aria (sung with some gravity by Paul Hillier against a taped background of the same composer's Fontana Mica) and the vivid character sketch of Berio's third Sequence, thanks even for the cosy cabaret world of Cries of London. Simon Emmerson's Ophelia's Dream II is, however, more ambitious. Beyond its elaborate system of amplification and electronic modulation it attempts to develop a sound picture of Ophelia's breakdown: the six singers work with fragments culled from Hamlet, the two sopranos representing Ophelia herself as she moves from partial articulation into incoherence and disintegration.

reveal how cunningly incident is planned, by carefully each thread of the action fits into the overall plan. Its most illuminating section remains, for me, the scherzo wherein the darting circuits of Oberon, the fizzing diagonals for Puck, and the incursions of the four leading fairies, create a web of dynamics as airy and as sure as Mendelssohn's scoring. The evening brought Anthony Dowell back to his created role as Oberon, dancing with magisterial ease.

Dowell was also the narrator for the revival of A Wedding Bouquet. In this, Ashton's comic skill is admirable because understated. Josephine, in Jennifer Penney's adorable reading, takes to the bottle with great charm: the shiftness of Michael Coleman's Bridegroom, the inanity of Lesley Collier's Bride, the poor forlorn Julia (Marguerita Porter), are all well controlled readings, and as Dowell (an able narrator) observes: "Nicely, nicely; it's going so nicely." Very nicely; thanks to Sir Fred.

Royalty

Colored Girls

by MICHAEL COVENEY

For Colored Girls who have Considered Suicide When the Rainbow is Enuff is a powerful compilation of black feminist poems by Ntozake Shange that first saw the light in a Californian woman's bar in 1974. Two years later, Joe Papp brought the show to his New York Shakespeare Festival Theatre and it quickly transferred to Broadway. Described as a "choreopoem," it is both a celebration of black feminine sexuality and an uncompromising condemnation of black masculine machismo.

There are seven performers, seven beautifully costumed girls in seven colours. The stage is dominated by a large artificial flower. Lady in Pink recounts her childhood crush on a proud black boy who nearly took her to Haiti; Lady in Yellow details how she lost her virginity in the back of a Buick in an upsurge of high spirits at the end of school; Lady in Orange discovers bot jazz; Lady in Red tells a lover to go water the plant she tended for him. There are personal, idiosyncratic stories of a night club dancer, an impassioned plea for the return of a feminine identity after a love affair and, at the end, a heart-rending story of tug-of-love children being thrown out of a

window by an insane father demanding marriage in order to collect his compensation as a war veteran.

Miss Shange's poetry pulsates with energy, wit and the genuine sounds of sad experience. Over and over again the language tightens around specific, highly coloured incident and the swirl of movement in Avery Brookes's direction and Paula Moss's choreography is continuously throwing up finely etched moments of character acting as well as varying mood and pace almost at will. If some of the language and references are difficult to follow for British audiences, I have no doubt the black customers among them will shape an enthusiastic general response.

The show is as outraged as it is outspoken and, among a generally superb cast, the eye fastens especially on Ruthanna Graves defining the pleasure of indomitable sexual itch. Denise Marcia on the dangers of being a woman who smokes and screws in a nuclear holocaust, and Linda Thomas Wright with an assured technical grip on a long narrative line. Recurrent themes are pride and self-knowledge and, to that extent at least, Miss Shange speaks for us all. It is, in all, an original and uplifting entertainment.



Lynn Whitfield with Liz van Dyke (kneeling)

Berlin

Adventures in Multi-Media Theatre

by OSSIA TRILLING

That globe-trotting theatrical wizard Peter Brook has been up to his tricks again. His Paris-based "Centre International de Créations Théâtrales" brought his two most recent productions to the 28th Berliner Arts Festival after only a brief stint in Avignon last July.

Those who saw Brook's The Ibs will at once recognise the master hand in the 80-minute-long curtain raiser—a misnomer, since Brook invites his audience to enter into a close rapport with the players by seating them on uncomfortably hard benches, in a three-sided amphitheatre in an empty TV studio. L'O (The Marrow Bone) is a farce, with many of the familiar faces from both The Ibs and Ubu playing themselves with unbounded physical abandon.

The more serious after-piece is called The Conference of Birds, a title that recalls John Halpern's book which describes the group's adventures in multi-racialism in Africa, where this parable of human endeavour saw the light of day. It has nothing to do with Africa, however, but was adapted by Carrière from the 12th-century Iranian poem by Farid Ud-Din Attar, about an assembly of birds in search of the mysterious King Simorg, who will show them the way to salvation.

From multi-racialism to multimedia experiment is no far throw, when each relies on some degree of audience participation. At the Deutsche Oper, or rather, everywhere but on the stage of the Deutsche Oper, Wilhelm Dieter Siebert's new contribution to the art of music-theatre, a commissioned work called The Loss of the Titanic, is under way. Author of the libretto and composer of the score, which ranges from pastiche classical opera via electronic music to modern (and period) jazz, Siebert and his director, Winfried Bauerndieck

but especially his designer, Martin Rupprecht, have scored a major theatrical, if not an unqualified musical triumph, by staging the sort of ambulatory happening, in which the audience plays its full part.

The Loss of the Titanic, an artistic feather in the cap of Intendant Dr Siegfried Palm, is no mere documentary about the historic incident of 1912 in which over 1,500 passengers perished. We begin in the street outside, to the strains of a brass band, as Lady Madeleine Astor (Catherine Gayer, warbling as only this brilliant American coloratura soprano can) christening the fatal ship with a bottle of champagne that smashes against the opera house concrete wall amid the audience's cheers. We are shepherded into the large first-floor foyer, from where, comfortably seated, we can pretend to be second-class passengers watching the first class having fun on deck, as Sir Bruce Ismay, White Star chairman, orders the captain to steam willy-nilly through iceberg-laden waters in response to urgent financial news radioed to him from Wall Street. We see that owner of Macy's and the Guggenheims pursuing their interests while on board. We are invited to dance with the company in the adjoining ballroom and listen to their beguiling cabaret entertainment as the ship strikes the iceberg and begins to sink. As panic breaks out, we are driven by frenzied sailors below the stage, through echoing corridors and a series of panoramic dumb-shows amid the deafening roar of electronic tape, to the courtyard outside. There other brass band greets us—the ill-fated 1,500 passengers of every class for whom there were no life-boats, as we hear the stoles on the sinking deck intoning "Nearer, My God, to Thee," and live through the experience of the final catastrophe.

Marvellously organised, with the full panoply of the opera's singing stars and with the opera orchestra divided into several sections, and conducted by Caspar Richter with the aid of TV-screens, the performance is irresistible.



John Fryatt and Nan Christie

Old Vic

La finta giardiniera

by ELIZABETH FORBES

English Music Theatre, continuing its short season at the Old Vic, on Tuesday night revived Tom Hawke's production of La finta giardiniera. The company has happily returned to the original title of Mozart's comic opera, relegating "Sandrina's Secret." Edmund Tracey's previous solution to the intractable problem of translating the untranslatable—"The feigned Garden-Girl" won't really do—to the position of sub-title. The plot, based on a text which may have been written by Calzabigi, Gluck's "reform" librettist, looks complicated on paper, but proves quite easy to follow in the theatre, especially when directed with the admirable clarity that Mr. Hawke brings to his production.

Each of the seven characters, as one of them remarks, loves the wrong person; it takes three acts to sort out the three couples satisfactorily, leaving Don Anichse, the elderly Mayor who employs Sandrina to look after his extremely attractive garden (designed by Bruno Santini), as odd man out. John Fryatt makes an amusing, philosophical personage of the stock figure of fun, without re-

sorting to caricature. Sandrina, really the Countess Violante in disguise, is the one wholly serious character in the opera, and Nan Christie sings the part with a nice mixture of slightly tearful sincerity and defiant determination to make her faithless lover pay for his deplorable behaviour.

As Count Belfiore, who finds himself engaged to two ladies simultaneously—Violante and the Mayor's niece, Armanda—Bernard Dickerson has speedily opportunity to exercise his comic gifts: watch him surreptitiously lace his tea with the contents of a pocket flask while Armanda rages at him for infidelity. Armanda herself is sung by Penelope Meckay with great panache; she both moves well and points the dialogue wittily. In the travesty role of Ramiro, Rosanne Cressfield makes a handsome young man, managing to regain the affections of the sickle Armanda by means of an inheritance that includes a house in Rome and a castle in Naples. Laureen Livingstone sings prettily as Serpetta, servant to Don Anichse and, temporarily, in love with her master. But Nardo—who is really Violante's

servant Roberto—wins her in the end; Peter Savidge, pretending with some conviction to be mad, contrives to make Belfiore recover his senses and return to his original love, Violante, thus paving the way for a general happy ending. Although the individual numbers are not very deeply characterised, Mozart's score, composed when he was 18, is full of ravishing music. Stewart Bedford conducts with a kind of energetic elegance that exactly suits the youthful high spirits of the work. There are further performances tonight and on Saturday.

Gloria Grahame in 'The Glass Menagerie'

Gloria Grahame will be playing the part of Amanda Wingfield in the Sheffield Crucible company's production of The Glass Menagerie, opening on Thursday, October 25.

Miss Grahame made her name in the 40s and 50s, starring in films opposite such stars as Humphrey Bogart, Lee Marvin and James Stewart.

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Thursday October 11 1979

The deadlines for Rhodesia

LORD CARRINGTON'S performance at the Conservative party conference yesterday was a model of diplomacy. The Foreign Secretary was faced by an audience, perhaps as much as one-third of which now wants an immediate end to economic sanctions against Rhodesia almost regardless of the consequences. A rather smaller part of the conference was already convinced of the Carrington line on the need to pursue the current negotiations. It was the rest of the conference to which the Foreign Secretary had to appeal. This section was basically ready to be led, but wanted to be persuaded of the Government's case.

In earnest
Lord Carrington had two sentences which were clearly intended to persuade Mr. Nkomo and Mr. Mugabe that he is in earnest. One was that the time had come when a decision on what to do about Rhodesia, one way or the other, will have to be taken. The other was that the lifting of sanctions cannot be far off.

The prize
The essence of the case is that the prize of an internationally accepted Rhodesian settlement would be enormous for all concerned. For Rhodesia blacks as well as whites, for the front-line African states as well as for Britain. The prize may not be quite within reach, but at least the Lancaster House negotiations are the most promising so far. It would be folly to do anything to jeopardise them at this stage.

At the same time, however, time is running out. If the present negotiations break down, it seems unlikely that the parties to the conflict would agree to re-assemble around the conference table in the near future. The most probable consequence of a breakdown would be a continuation of the war, and possibly its escalation.

Yet it is precisely the awareness of the way that time is running out that could serve to concentrate the mind. This awareness should apply to all those parties who genuinely want a peaceful Rhodesian settlement. It should have been clear to anyone watching the debate that the pressures on the Conservative Government to end the sanctions are steadily rising, even if they have not yet become insurmountable. The message for the front-line states and for the Patriotic Front is that if they want a negotiated settlement they will have to move soon. Lord Carrington appeared to suggest yesterday

that the deadline for the Patriotic Front to accept the proposed constitution is today. That may be over-doing it a bit: it would be foolish to set deadlines that are quite as rigid. But the Front would be wrong to think that it has much time in hand.

If the Foreign Secretary's speech sounded ambiguous, it should be remembered that he was speaking to several audiences, not all of them in Blackpool. The theme which he held together was the urgency of the problem. Lord Carrington was appealing to the Patriotic Front to move fast in order to prevent the breakdown of the present talks. But he was also appealing to the Conservative party not to pre-judge the issue by denying that little bit of time that could be necessary to make at least the present stage of the negotiations a success.

Next move
Clearly he has succeeded with the Conservatives, as there was never much doubt that he would. But his success there could be short-lived if he has not also succeeded in persuading the Patriotic Front to move towards acceptance of the constitutional proposals. It is from the Front that the next move must be expected. If the Front's leaders well understand the mood of the British government, that move will be positive and it will come in the next few days. In the end, what all parties have to remember is the probable consequence of failure. It will be the intensification of the war. Only those who want that to happen can lightly oppose the continuation of the present negotiations, even though, as Lord Carrington made clear, they cannot go on indefinitely.

New era of disorder threatens oil market

BY RICHARD JOHNS, Middle East Editor

THE DYKES holding the oil prices set by the Organisation of Petroleum Exporting Countries last June for the second half of 1979 were already eroded before Kuwait's announcement this week of a 10 per cent increase. Now the maximum of \$23.50 set for official sales looks as if it could be broken before the end of the year. The pressures may be more than Saudi Arabian moderation and the continued bonus of an extra million barrels a day from its main oil producing fields can sustain.

By coincidence Mexico also gave notice of a hefty rise on the same day. In this context the new emerging force of the world is of limited significance. It is not a member of OPEC. But like Venezuela, which is Mexico follows the Gulf's lead in pricing because it operates in a relatively self-contained area, still selling as much as 85 per cent of output to the U.S. For the time being it would appear to have over-pitched its price which is open to negotiation, unlike those of OPEC members. Even so, Mexico by some intuition may have anticipated what could prove to be the beginning of an undisciplined surge on the prices front by the OPEC members. Ironically, as consumers await with foreboding the consequences of Kuwait's action, the British National Oil Corporation may have made an even more psychologically damaging contribution to the chances of renewed disorder.

No cause for gratitude

Certainly, the governments of the other industrialised consuming countries may have no cause to be grateful for BNOC's request for premiums above world market prices on its "forward" sales—a new concept even for hard-line members of OPEC. Its initiative was naturally the subject of comment last week at the annual seminar held by OPEC in Vienna, an event that had nothing directly to do with the setting of prices and was attended by a wide array of energy specialists from all over the world.

Pertinently an Iraqi delegate asked Mr. Denis Howell, UK Secretary of State for Energy, how he could reconcile Mrs. Margaret Thatcher's condemnation of OPEC's last collective increase in June, when she was in Tokyo for the Western economic summit, with the new BNOC proposal. Though delivered with aplomb, Mr.

Howell's answer was not convincing: "UK policy is to follow and not to lead in such matters and to do so in such a way as to contribute to the orderliness and stability in oil prices."

BNOC's inflationary idea-like reports of the major oil companies profiteering in third-party sales and their greatly improved results in the first half of 1979—will hardly encourage OPEC members to restrain themselves from another bout of leap-frogging unjustified by the overall equilibrium of supply and demand.

In retrospect, it now seems clear that the 60 per cent average escalation in the first six months of the year had more to do with market fears than market forces—if one can distinguish between the two. Statistics now available show a rise in the world's consumption in this period of not much more than 3 per cent, compared with an increase in OPEC output of 4 per cent and in global production of more than 5 per cent—despite the three-month stoppage of Iranian exports in the winter and resumption at a lower level.

The distribution system was disrupted and local shortages did occur but the shortfall was not as bad as commonly believed. In effect, the experience showed how delicate the equilibrium with demand is and how in such a situation producers can lever up prices in an arbitrary, unhampered manner justified by "classic" market forces.

Nevertheless, after three months of tranquillity with inventories replenished and output still running at apparently healthy levels relative to lower demand, the consuming world and the oil industry was until this week looking forward to a short period of calm before OPEC's next scheduled, ministerial conference in Caracas in December.

MEN AND MATTERS

Investing in the melody of money

In the annual report of the Arts Council, released yesterday, the biggest grant listed for a provincial theatre is £238,000 given to the Leicester Theatre Trust. Embodied in that figure is £70,000 for an eyebrow-raising deployment of public funds — to support a new production of "My Fair Lady". The production opens at the Adelphi in London a fortnight from now, with Dame Anna Neagle playing Mrs. Higgins. There can be scant doubt that it will run and run, the billboards strewn with critics' laudatory clichés.

But what is the Arts Council up to, subsidising surefire winners? The Leaver and Lewes musical (Bernard Shaw does not rate a mention in the advance London advertising) has already proved its continuing box-office appeal during a provincial tour. The lavishly decorated and enthralled packed houses.

Hostility to the Arts Council initiative was expressed to me by Steve Coob, of the Theatre Writers' Union: "We look askance at the whole mood of the council to back winners and go into business."

A more mellow note was struck by the Society of Authors, Playwrights and Composers. Why should the Arts Council always support loss-makers? Commented the secretary, David Machin. However, he went on to admit that the society had to declare an interest—it manages the Shaw estate on a commission basis, and stands to profit from the production.

"My Fair Lady" reaches the West End amid reports that the Arts Council is preparing contingency plans to cut its subsidies to drama, as it braces itself for the government's intention for 1980-81 towards its funding currently £60m a year.

The council trenchantly defends its grant to the musical. Anthony Blackstock, the deputy general director, tells



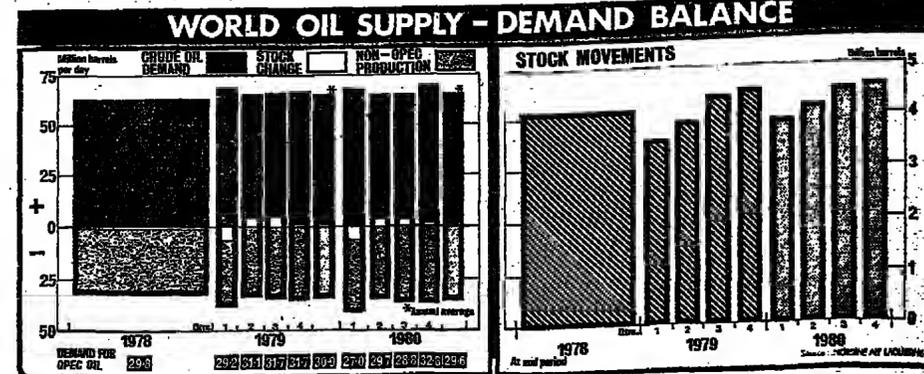
"I guess he's up there to fend off small planes"

me: "We have an arrangement by which the production, if profitable, will repay the £70,000 to the Leicester theatre which launched it. The tour also made money for provincial theatres, so allowing them to afford opera and ballet performances."

I learn that the Arts Council is already looking into the possibility of supporting more musicals. For the comfort of experimental dramatists, the three-figure sums are still being handed out to theatre companies with names like Foco Novo, Belt and Braces, and Galactic Smallholdings.

Gliding away

In Bromley, on London's south-east fringe, a link is being snapped with the aristocratic past of British motoring. James Young Ltd, the last independent coach-builders to make Rolls-Royce bodies, is this month, going out of business. Young's made bodies for royalty; enthusiasts still talk of the Phantom



Markets" was on the need for progressive, orderly increments in the real value of oil revenues to encourage restraint in consumption and the development of alternative sources of energy.

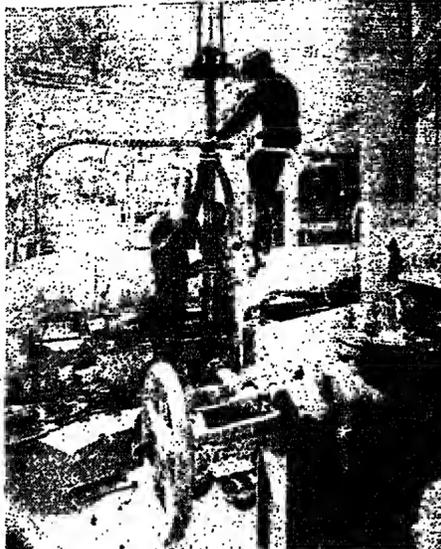
At a similar event two years ago Mr. Nordine Ali Laoussine of Algeria proposed annual increments of 5 per cent to bring about this objective in the interests of consumers and producers alike. Last week he repeated the proposition, saying "I believe OPEC cannot just sit and react to external events such as inflation, currency depreciation and market conditions." Having lost the false sense of security and complacency arising from the 1976-1978 oil surplus, he has gained a wide measure of acceptance in the consuming world.

Compensation for inflation

No doubt was left about the steam building up for a price increase of the order of 10 per cent to compensate for inflation and the depreciation of the dollar. There was, however, no premonition of Kuwait's move. Its decision is reliably understood to have been taken without consulting other members. It is also said to have only been taken after considerable debate in the Kuwaiti Cabinet. As yet no reason for it has been given. The likelihood is that the new price of \$21.43 per barrel of the Gulf state's heavy, relatively sulphurous 31 degree gravity crude will be presented as an adjustment of the differential between it and Iranian Light, as a reference, which is officially set at \$22 at present.

At first sight the initiative may seem odd coming from a member that has always been in the mainstream within OPEC. In February and May it was Abu Dhabi and Qatar, producers of light premium oils, that set the ball rolling. But at the bottom end of the market Kuwait was quick to follow on both occasions. It may now be enjoying the kudos deriving from militancy.

The nature of regional, quite apart from OPEC, politics is such that neither Iraq nor Iran would want to be left behind for any reason regardless of market realities or the status of the compromise worked out at Geneva in June, described at the time by Sr. Humberto Calderero Bertl, Venezuelan Minister of Mines, as a "gentleman's agreement." Among Gulf producers, where comparisons are easiest, the principle of securing a good terms as any other is a long-established one. Now Kuwait's main crude is 53 cents heavier than the Iranian oil of the same gravity rather than 49 cents cheaper at the end of 1978 when a coherent system of



Unconcerned with the politics of oil, two workers repair a pump on the separator platform in the Fateh field, the centre of Dubai's offshore operations

projections of OPEC production in general have been based. Such a goal would implicitly entail cutting OPEC output to half the existing level in the long-term. Sheikh Ali suggested a transition phase of two to five years.

In London this week he and other leading figures from the producing states, including Sheikh Ahmed Zaki Yamani, Minister of Oil, himself, are putting the final touches to OPEC's strategy study that has been in preparation for 18 months now. Perhaps it will reflect some of Sheikh Ali's thinking. The guidelines drawn up may recognise the need for a measure of co-ordination with the industrialised world. By and large, it already recognises that the price of oil must go up progressively if the long-term energy problem is to be solved. The consumers may not have learnt the lessons from the 1973-74 crisis, but the "shock" delivered in the first half of 1979 seems to have been sufficient to bring home the message that oil consumption must be curbed and alternative sources of energy developed.

From that point of view Kuwait's action was hardly necessary and probably counter-productive. In general the consensus at the OPEC seminar about the need for collaboration and inter-dependence seemed sadly divorced from reality.

On the one hand, OPEC's demand that co-ordination should be within the framework of consultations covering other problems of the Third World makes agreement on a long-term strategy unlikely because of the industrialised countries' refusal to accept that this is practicable. On the other hand, OPEC shows little sign of being able to administer a price policy in coherent manner—with or without the acquiescence of the consumers.

Causes and effects

For the indefinite future the odds are that price increases will be the outcome of ungrudging compromises, ad hoc decisions and "leap-frogging." They will be affected by the vagaries of output levels, possibly by informal attempts by some members to limit overall production, and opportunism. The supply and cost of oil could be affected fundamentally again by politically motivated Arab cut-backs and a limited embargo, or events in Iran that have nothing to do with OPEC as such. Even if there is more goodwill and understanding on both sides, the prospects for the evolution of a more orderly market and global energy strategy look as bleak as ever.

Cautious start in Canada

CAUTION AND pragmatism are the keywords of the speech from the throne in Ottawa in which the new Canadian Prime Minister, Mr. Joe Clark, announced his plans almost five months after being brought to power at the head of a minority Government. Gone is the electoral promise of sweeping personal tax cuts to stimulate the economy. As for the thorny question of Quebec, the speech carefully avoided direct reference to it.

Mr. John Crosbie, Minister of Finance, spelled out the economic priorities last month when he recalled that an attempt in Canada to spend a recession had merely pushed up Canadian costs and depressed the Canadian dollar. Mr. Crosbie has warned Canadians of a period of slow growth, and the warning signals have already come. Following the U.S. lead, the Bank of Canada has raised its discount rate to a record 13 per cent.

The dollar

Had it not done so, the Canadian dollar would have suffered. At present the evidence is that Ottawa is content with a rate of about U.S. cents 85-86, which has been established for some time now. Given its very current account deficit, Canada will have to remain a heavy importer of capital, mainly in the form of straight debt rather than of direct investment.

The Clark Government has undertaken to let a parliamentary committee study the entire question of foreign ownership in Canadian industry—a subject that arouses strong emotions in Canada. In particular it is to examine the role of the Foreign Investment Review Agency which has powers to prevent any foreign direct investments not considered to be in the national interest. In practice FIRA has usually displayed rather blunt teeth: the new Tory Government is not likely to sharpen them.

Foreign investment in Canada is overwhelmingly U.S. investment. But anyone who expected the speech from the throne to shed much light on the Clark Government's fundamental attitude to economic

relations with the U.S. will have been disappointed. Many Canadian economists are urging "continentalism," meaning at least partial free trade. Alberta, Mr. Clark's home province with little manufacturing, might be attracted. But his electoral strength is in industrial Ontario which, historically at least, has favoured protection.

U.S. interest in continentalism centres mainly on energy sharing, since Canada has surpluses of natural gas for at least a generation to come. So it is notable that Mr. Clark's Energy Minister, Mr. Ray Hnatyshyn, has spoken scornfully of the idea.

Energy policy could lead to the firm role in the new Parliament. Mr. Clark has undertaken to return to the private sector Petrocan, a Government-owned oil company. The opposition has threatened to make this matter one of confidence. It could carry the day unless Mr. Clark has the backing of all five Social Credit members: in practice, however, neither the Liberals, nor the social democratic New Democratic Party wants an early election.

Quebec

The reticence of the speech about Quebec makes a good deal of political sense. The election result showed clearly that English-speaking Canada had more pressing worries than the quasi-separatist ambitions of Mr. Rene Levesque and his Quebec Government. Moreover, the Levesque Government is going through a bad phase. Two Ministers have resigned recently and there is no evidence that the separatist cause, even in the form of sovereignty for Quebec in commercial association with Canada which Mr. Levesque is now preaching, has majority support among French-speaking Quebecers.

Mr. Clark has shown a certain willingness to concede the limited ambitions of the French Quebecers. Throughout the speech he invoked the "spirit of partnership and renewal" which are fundamental to our federation. Those words might well be echoed by the Quebec opposition leader, Mr. Claude Ryan, whose star has been rising. They also seem to match the hopes of Quebecois as shown in recent opinion polls.

the firm built for the Duke of Gloucester, brother of George VI.

Carriages for the gentry were made by Young's in mid-Victorian times. In the motoring age, it developed one of the select teams of craftsmen recognised by the manufacturers as fit to put a body on an R-R chassis. But after the last war, the heyday of the independents was passing. Rolls-Royce and its bought Mulliners, one of Young's rivals.

In the late 1960s, the Bromley firm was the last to which Rolls buyers could go to have an individual model built. Then finally, legislation on body testing forced Young's to rely on renovation work.

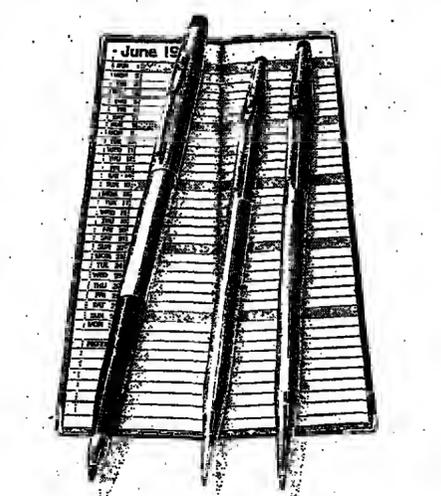
Brian Henson, a director of the holding company which acquired Young's in 1975, was reluctant yesterday to discuss reasons for the closure. But he said: "We have already signed a contract to sell the premises, near Bromley High Street. Eight businesses are up for sale: one is a 1956 Silver Cloud by Young, priced at £27,500.

As the last of the Rolls old-timers glides into oblivion, there is a boom among firms building replica bodies. You can have a replica 1930 Phantom body made for £12,000 or so, if you care to join the queue.

Miners' reprieve

The soaring gold market has turned a dot on the map of France into a sealed-down version of the Klondike. Boasting one of the few European gold mines, Salsigne, situated between the Auvergne and the Spanish border, has become a boom village if not a boom town.

The Salsigne gold rush got off to a sluggish start. A nugget of gold was discovered by a peasant digging a well in 1895, but it was 30 years before the mine was opened to exploit the seam of one 1,000 feet down. Disappointingly, only one other nugget has been found since 1895, and the villagers never actually see any of their gold—



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مركزنا للتعليم

ECONOMIC VIEWPOINT

U turns built into the steering gear

REPORTS THAT the Prime Minister has sent a round robin to Ministers telling them to improve the quality of their contributions to the Cabinet turns out to be, as they say, "much exaggerated." One Minister raked his brains in an effort to remember to what these reports referred and at last recalled a circular about deadlines for Cabinet papers, and so on. "Could it really have been that?" he asked "about which newspapers made so much fuss."

Civil Service. Some quango positions no doubt fall between the two types. There are now only two ways in which new ideas can be inserted into Whitehall. The first is through the changing orbit of permanent civil servants; and the second is through quasi-political appointments. Since administrative grade civil servants are recruited in their early 20s and reach top positions well into their 40s or 50s, we are subject to a time lag of generation length in policy thinking.

This is illustrated by the prolonged and semi-public agony over the choice of a new Chief Economic Adviser to the Treasury. Top Treasury officials are undoubtedly looking for a senior and respected figure, in appearance above the battle, and not likely to arouse jealousy among weaker competitors. It is an incidental bonus for the older Treasury hands that British economists of that generation tend to favour demand management and income policy, however impartial they strive to be. This after all is the idealism of a generation ago, itself a reaction to the Depression of the 1930s.

Even wider issues are involved. Most past Chief Economic Advisers have occupied an uneasy position between the Chancellor, the Permanent Secretary and the economic forecasters. They have not felt justified in tampering with the forecasts, apart from suggesting a change in an assumption here or there. They have also been sensitive to the charge of passing particular policies of their own; and it is no secret that the present Permanent Secretary, Sir Douglas Wass, who is no one's fool, is his own adviser on

major issues. He has also appointed himself the guardian of the forecasting machine, which he treats as the Holy Grail. If a new economic adviser is to break with this pattern a different sort of person will be needed. On the one hand, he should be someone not ashamed to put forward a clear-cut policy framework, compatible with that of the Prime Minister and Chancellor but in no way sympathetic to them. On the other hand, he will also need to be much more involved in the technical work. The overwhelming need in

guesses or working assumptions for those magnitudes, such as public sector borrowing, which any Government will predict that attempts to tackle it by old-fashioned Keynesian methods would lead to very much the present mess. Instead he should be examined in detail the incentives and deterrents facing workers and employers in the labour market. He has done highly detailed research on the distortions brought about by the tax and social security system—as well as worked on other subjects ranging from investment to health economics.

fanatic. But examination of the evidence convinced him that U.S. unemployment was not due to deficient demand; he predicted that attempts to tackle it by old-fashioned Keynesian methods would lead to very much the present mess. Instead he should be examined in detail the incentives and deterrents facing workers and employers in the labour market. He has done highly detailed research on the distortions brought about by the tax and social security system—as well as worked on other subjects ranging from investment to health economics.

originally envisaged, was meant to have a key role in public expenditure decisions. The Treasury is not there to improve the quality or composition of public spending. It has its work cut out, whatever party is in office, to prevent the total from soaring. It is not in business to divert the axe from a worthwhile spending project towards something else that deserves to be cut.

Spoils system

A special difficulty has been Mrs. Thatcher's dislike of what appeared to her as the beginnings of an American-type spoils system growing up under previous Governments. This is one reason why there have been so far few appointments of outsiders to Whitehall—and those that have been tend to be businessmen rather than economic analysts. There is, however, some danger of confusion here. The essence of the spoils system is that somebody is rewarded for political support by a lucrative position—in the classic American instance, an assistant postmaster. This is far removed from bringing in qualified people to formulate or advise on policy from a viewpoint different to that of the established

ethos which no one official can easily cast aside. No amount of out of school conversations can be a substitute for an adviser who understands and wishes to improve the working of the market, has some skill at infighting, and is placed in an office next to Sir Keith. The cost of a few irregular advisers could be met many times over by a reduction of manpower on exchange control and the economic forecasts. The ultimate cost of cheese-paring on intellectual advisers could run into many billions. But above all the Conservatives need to learn the lesson to be found in the writers they claim so much to admire, such as Hayek and Oakeshott, who both stress that political activity is not like running a business and has no ultimate purpose. It is, or should be, an argument about the rules on which free men or free women ought to follow their own chosen purposes.

The besetting temptation of Conservative governments is to imagine businessmen can tell them about free enterprise. Except by rare accident they have no such knowledge. Their expertise lies in playing a game under rules which they have not invented or analysed.

But it is not at all clear that the Treasury would be the right place for someone like him. In a rational world, he would be Chief Adviser to the Department of Employment. But if that were felt to lack status, the alternative place for an expert on supply-side problems would be the Central Policy Review Staff, founded by Lord Rothschild and popularly known as the "Think Tank." The Tank would also be the ideal place for Mr. John Fleming, of Nuffield College, who is probably the highest of the younger British economists, and spiritually Feldstein's opposite number—although with more of a bias towards finance. It is in any case important to revive the Tank. The CPRS, as

Professor Robert Neild who had been newly recruited from Cambridge. The duty of supervising (mostly in an administrative way) all economists in all Government departments could easily be transferred elsewhere. I am sometimes asked whether we should not import this American or Continental economist. There is no reason whatever why not. I will give one example of the type of American economist for whom it would be worth paying. This is Professor Martin Feldstein who runs the National Bureau of Economic Research which brings him into contact with hard-headed business types. He did not start out either as a monetarist or a free market

Indeed, it is absurd to blame the Treasury, still less particular Treasury Ministers, for the composition of spending cuts. The latter are largely decided by departments themselves. The Think Tank is surely the right body to examine alternative methods of allocating funds within and between departments. It could never, of course, replace the inevitable political infighting, but could supply a rational adjunct. For instance, it could look at the effects of child benefits versus social security pay in their effects on work incentives as well as poverty. It could also try to form a detached view on how far the slowdown of the school population justifies a reduction in the number of teachers. These are two examples from thousands.

Bombarded In fact, the Department of Industry is notorious in Whitehall, even among officials who are far from being monetarist or free market enthusiasts, for its strongly dirigiste leanings. Sir Keith has been bombarded with dubious arguments on matters such as the supposed need to finance technology, to compete for internationally mobile investment projects and to match the "industrial" support said to be given by other countries. Compared to the Department of Industry, the Treasury— all factions of it—consists of angels dancing in the sunlight. Of course this general characterisation is unfair to individual officials. But it is hopeless to expect the Department of Industry to provide its own opposition. Officials work for their Whitehall superiors who have far more influence on their career prospects than Ministers, who are birds of passage; and there is also a departmental

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Letters to the Editor

A charter for lawyers

From the Secretary, The Senate of the Inns of Court and the Bar. Sir—Your leading article (A Charter for Lawyers) on October 5 made surprising reading to anyone who had read the report of the Royal Commission on Legal Services published last week. The article started with eaping comments on whether our legal institutions are admired abroad. That they are is obvious enough to lawyers who travel. It is borne out by the number of foreign students in our law schools and it was confirmed by the evidence of the United States Chief Justice, the Chief Justice of Australia and the Chief Justice of New Zealand to the Royal Commission. More surprising than these rather silly comments is the scorn poured on the Commission's emphasis on professional standards. By any definition professional standards include all those factors a client must take into account before engaging a consultant to act for him. (An important consideration is clearly cost.) That these standards should be high is of paramount importance to the community and the greatest possible emphasis must be placed upon them. Conveyancing is not of course a part of the Bar's essential business, but the public are as entitled to expect the highest professional standards in what is often the most important financial transaction of their lives, as they are entitled to expect in other financial transactions so many of which are conducted within the City of London. With regard to the comments on so-called barristers' restrictive practices, they show an ignorance which is hard to believe. Few specialist consultants can be approached direct by the client as it would often be an appalling waste of time and money. A solicitor can approach a barrister direct although normal business is conducted through his clerk for obvious administrative convenience. Heavy cases require the services of more than one barrister to do the work properly and efficiently. Finally, the comments on the Commission's proposals for change in the legal aid system only indicate that the report has been given merely rudimentary study. National services can only be provided if money is forthcoming. Rough justice can of course be done very cheaply, as we have seen in some countries overseas. It seems unlikely that such justice would be acceptable in England and Wales. (Sir) Arthur Power, 11, South Square, Grays Inn, W.C1.

Preparation for a career

From Mrs. P. M. Marchant. Sir—Michael Dixon in a recent article (October 5) drew attention to the problem of adequate career guidance, and the fact that the product of our education system often seems unable to complete an application form. The National Extension College has recently produced, for the Manpower Services Commission and the BBC, "BBC Roadshow Guide," which is a magazine for use in conjunction with the BBC series "Roadshow." It is aimed at the under-25s and sets out "the facts you need to know about finding work." On page 5 we have "Selling yourself: application forms. If the instructions to go by it would seem that careers guidance in schools is something of a non-event—it is painful to see that in the explanation given it was necessary to say what the abbreviation Tel. No. stands for. The magazine is not careful in its choice of examples. On page 2 a method is suggested of finding out the sort of job a teenager might do, and what he/she would be suitable for, based on a quiz. "Kevin" the mythical teenager in question says he does not like being tidy, so they suggest he might make a warehouseman/storekeeper! Heaven help the stores supervisor. As the General Secretary of a disabled association which numbers your people among its members I am horrified by the complete lack of preparation offered by the careers service. I am sure that proper preparation is essential to help young people obtain their first jobs. I wonder just how many application forms have gone straight into the waste paper basket, simply because no-one took the time to teach the basic art of communication. Forms are an essential part of life—unfortunately—and we should all be given some

Redundant exercise

From the Director, Public Relations, the Post Office. Sir—Your reader, Mr. Leonard Griffiths (October 3), is mistaken in suggesting that the Post Office's national kiosk surveys are a waste of time and that their main objective is the removal of little-used kiosks. Like any other major business providing a public service, the Post Office has to keep in constant touch with its customers to provide the sort of service people want. With a nationwide network of more than 78,000 kiosks, it is essential to monitor their usage in order to anticipate future demand. So twice a year the Post Office selects at random a small number of public call boxes and conducts a one-day survey of them. The use of public opinion surveys is widely recognised as an essential market research technique. We are confident the comments from our customers more than justify the relatively small cost of the exercise. Peter H. Young, 28, Howland Street, London W1.

The Left and the landlord

From the Press Officer, Small Landlords Association. Sir—The change in the balance of power within society and particularly the rising influence of the militant Left is eroding the democratic principles upon which the British way of life is founded. This can be illustrated by the history of the Rent Acts. They were first introduced as a wartime measure in 1915. What was intended to be temporary became permanent but there was no control over new lettings between the wars and the private rented sector continued to flourish. Rents were frozen from 1939 until 1957 when the Conservative Government freed the top 10 per cent of private rented dwellings from control, authorised modest rent increases for the 90 per cent of dwellings still under control and freed new lettings from control entirely. Immediately the Labour Opposition announced that it would reinstate control when it got back into office. This it did in 1965. Then in 1974 control descended on furnished lettings of non-resident landlords who suddenly found two-thirds of their life savings in the control of their tenants to whom they were bonded for three generations. The Labour Government would not have dared to have treated any other section of the community in the same way. Now the Conservative Government is proposing to introduce the short hold concept for new lets and, predictably, the Labour Party Conference, committed itself to repeal the projected legislation and reinstate indefinite security of tenure. In the past, the Labour Cabinet did at least exercise some minimal restraint over the most excessive anti-landlord proposals from the militant Left. But now we have the prospect

Debited when you shop

From the Director, Banking Information Service. Sir—Mr. Cox (October 8) is correct in saying that the clearing banks are studying the use of electronic funds transfer at retail point-of-sale; he is incorrect in saying that they yet have "plans," let alone that they are motivated with a desire for secrecy over them. It is an issue which obviously must be examined—and the banks would be at fault if they failed to do so. But technological changes can move so fast that careful examination must be given to several possibilities; acceptability must be established for all involved—banks, retailers, equipment manufacturers, and the public at large; costs must be appraised; the means of communication must be available; safeguards must be assured. These are matters which the banks are now studying in some detail, and throughout the exploratory stages a project team is talking closely to retailers, suppliers and others. Until the banks are ready to go firm on the direction in which they are heading, options will be kept open. It follows from this that they must be careful not to be drawn into public pronouncements which may heighten expectations and attitudes, and thereby militate against the flexibility that is so important. John Hunsworth, Banking Information Service, 10, Lombard Street, E.C.3.

Recruitment quality

From Professor C. R. Tomkins. Sir—A major personnel problem of the university in Michael Dixon's "Confessions of a campus personnel officer" (October 4) may be the personnel officer himself. Either he is quite ignorant of the nature of an academic's work or he is incapable of expressing himself clearly in explaining to non-academics the many tasks which the academic must perform off-campus. More importantly, the impression gained from his recruitment of graduates, few of whom are "even basically competent," is quite different from the one I get from the majority of young people I see graduating each year. My restricted sample is probably just as misleading as a basis for gaining a general picture of graduate quality as is the recruitment experience of one personnel officer. However, the topic Mr. Dixon raises is very important at a time when cuts in higher education expenditure are envisaged. It would, therefore, be preferable if graduate quality could be evaluated carefully (analysed by discipline, institution, type of work taken up, etc.) rather than attempting to influence general opinion by anecdotes. Would Mr. Dixon care to add this dimension to the Financial Times periodic review of graduates finding employment by investigating more systematically what employers think of their graduate recruits? C. R. Tomkins, Professor of Business Finance, University of Bath.

Enjoying tennis

From Mr. E. Vofanis. Sir—Mr. J. Barrett argues

Today's Events

UK: Conservative Party conference continues Blackpool—debat reform, energy, social services, taxation. Zimbabwe Rhodesia constitutional conference continues, London—guerrilla leaders decide on new constitution. Confederation of Shipbuilding and Engineering Unions meets, London, to decide on attitude to BL redundancies. Services in and out of London's Paddington Station disrupted by National Union of Railwaymen strike. Memorial service for Sir Nigel John Mordaunt, former senior

Smoking and cancer

From the Chairman, Action on Smoking and Health (ASH). Sir—Dr. Myddleton (October 1) is wrong when he states that 80 per cent of lung cancer deaths in women are completely unrelated to smoking. The U.S. Surgeon General's report, in agreement with almost every other scientific body which has studied the question, recently stated: "Cigarette smoking is the major cause of lung cancer in both men and women." Since 1955 lung cancer rates have been increasing more rapidly in

Smoking and cancer

women than in men. There are indeed other rare causes of lung cancer, but cigarette smoking is undoubtedly by far the largest. According to The Royal College of Physicians, there is no evidence that atmospheric pollution has anything more than a very small influence on lung cancer rates compared with the overriding effect of cigarette smoking. Fumes from diesel engines cannot be responsible because diesel fumes were widely used only after diesel fuel from lung cancer had begun to rise. There is also little excess of the disease in persons specially exposed to motor exhausts. In the island of Jersey, where cigarettes are much cheaper than in the rest of Britain, the lung cancer rates for both men and women are among the highest in the world, yet they have no significant atmospheric pollution. The research that is needed is how to persuade children and young adults not to become smokers. The year 1980 has been designated by the World Health Organisation as the year of "Smoking or Health—the choice is yours." It is to be hoped that the cancer charities take this opportunity to give major support to a national campaign which could do much more to prevent the present generation of children eventually getting lung cancer than money spent on laboratory-based research, however important that may be. Keith P. Ball, 27-35, Mortimer Street, W1.

Smoking and cancer

help in dealing with them before it gets to the point when the BBC and MSC have to set up crash courses to bail out the teachers who didn't do their job properly. P. M. Marchant, The Stables, 73 Pound Road, Stanstead, Surrey.

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UK COMPANY NEWS

Empire Stores rises 18% as demand holds

TAXABLE profits of Empire Stores (Bradford), the mail order concern, rose 18 per cent to £2.42m in the 28 weeks to August 11, 1979, against £2.05m last time. Sales, excluding VAT, were 23 per cent higher at £63.78m, compared with £51.95m.

At the annual meeting in June, Mr. J. Grawick, chairman, said he believed first half results would again be satisfactory. He was reasonably confident that full-year results would now show acceptable sales and profit increases.

He now says the increased demand in the opening months of the year was maintained. The first two months' demand for the autumn/winter catalogue has been very satisfactory.

But, he adds, economic uncertainties surrounding the immediate future preclude any positive projection for the second half. While he expects continued progress, the effect of high interest costs will again be a significant feature in the level of taxable profits throughout the second half. For that while of last year, the pre-tax surplus reached £8.11m (£8.89m).

The net interim dividend is effectively raised from 2.065p to 2.4p—last year's total was equivalent to 4.489p. After tax of £1.81m (£1.53m), earnings per 25p share are given as 5.13p, against 4.33p.

	28 weeks	1978	1979
Sales*	63,778	51,952	63,778
Trading profit	3,778	3,065	3,778
Income receivable	23	21	23
Interest	305	189	305
Profit before tax	3,497	2,947	3,497
Tax	1,674	1,415	1,674
Net profit	1,823	1,532	1,823
Interim dividend	783	674	783

* Excluding VAT.

Dowty stock conversion

In connection with the final exercise of conversion rights of Dowty Group 7 per cent convertible unsecured loan stock 1986-91, holders of £526,787 nominal of convertible stock exercised their right to convert into 580,896 ordinary shares, credited as fully paid.

Following its final exercise, conversion rights attached to the convertible stock have expired and £228,904 nominal of the 7 per cent unsecured loan stock 1986-91 will remain outstanding.

HIGHLIGHTS

The major company result yesterday was that of Consolidated Gold Fields which has produced a sharp improvement in profits thanks to the boom in the mining of gold and also base metals. Empire Stores has pushed volume up by over 10 per cent and pre-tax profits are 18 per cent higher at £3.4m. Current trading, reports the mail order group, is reasonably strong. There is a report on the latest developments in the long running Dalgely Spillers takeover saga with Dalgely coming back to buy shares in the market as it senses victory. Lex also looks at the continuing shake out in both the gilt-edged and equity markets. On the inside pages Menzies profits advance has been held back by a large increase in the interest charge, and there is further buoyant figures from newspaper group BFM Holdings. Christie's profits gain of just over a tenth disappointed the market yet there are good reasons for the modest performance. The real disappointment of the day came from Higgs and Hill where profits have collapsed. Comments are also made on Ash and Lake and Elliot.

£0.48m by Wombwell Foundry

PROFITS before tax of Wombwell Foundry and Engineering Company amounted to £480,165 in the year ended July 31, 1979, compared with £306,736. The previous year's profit was struck after an exceptional profit of £254,829.

Earnings per share are stated at 7.43p against 9.53p. A final dividend of 1.25p (1.003p) raises the year's total from 1.338p to 1.5p.

The directors say the results now presented would normally cause them to recommend a substantial increase in the final dividend. However, in the present circumstances, there must be an overriding need for caution in considering the forward cash position.

Turnover for the year rose sharply from £4.49m to £8.17m. Profit is before tax of £261,088 (£316,819) and extraordinary credits of £82,815 against £24,893 debits. An amount of £237,645 (£223,764) is retained.

While profit margins are not yet satisfactory, progress has been made in all subsidiaries and despite an adverse currency position exports have shown marked improvement, the directors say.

It would have been reasonable to expect further progress in earnings for the current year.

but the recent engineers' strike resulted in substantial losses for the first quarter. It is not expected that these will be recovered until the second half of the year, the Board states.

Ellis and Goldstein slips back

ON TURNOVER ahead from £15.8m to £19.1m pre-tax profits of Ellis and Goldstein (Holdings) slipped from £885,000 to £501,000 in the half-year to July 31, 1979. The midway profits for 1979 included £65,000 surplus on disposal of a lease.

The directors say that while autumn orders from wholesale customers are satisfactory, retail trading is sluggish. They add that it is impossible to say whether the increase in take-home pay resulting from the tax cuts will be reflected in spending.

The net profit is down from £536,000 to £423,000 after tax—SSAP 15 adjusted—of £178,000 (£149,000), and stated earnings per 5p share, excluding lease disposal, are lower at 1.84p, against 2.05p. The net interim dividend is 1p (0.965p). Last year the group paid a total of 2.1265p after lifting taxable profits from £1.23m to £1.82m.

The group makes and sells women's outer clothing on home and export markets.

Lake & Elliot up to £1.9m

TURNOVER UP from £18.94m to £21.25m and pre-tax profits creased from £1.62m to £1.94m as reported by Lake and Elliot, steel castings maker, for the year ended July 31, 1979.

Tax takes £544,000 (£368,000) giving earnings per share of 14p against 12.7p. The final dividend is 2.772p lifting the total from 3.587p to 4.7p.

The group is to cease adoption of SSAP 15 — comparisons are adjusted and £2.2m is transferred to reserves. There are also extraordinary debits for the year of £168,000 (£88,000).

The directors state that order books remain steady and they continue to seek new markets and opportunities.

The effects of the recent engineering dispute had had the inevitable effect on the first two months of the current year.

Mr. Peter Lake, chairman, will retire at the conclusion of the AGM and Mr. Peter Edwards will succeed him.

comment

Some aspects in the newly formed special products division, pre-tax profits from Lake and Elliot are about a fifth and, after some import shifts of marketing emphasis, the group has been showing that it is ready to break out of a five-year profits plateau.

The engineering dispute obviously dampens these hopes and, despite a 5p rise to 55p yesterday, a yield of 12.9 per cent and an historic P/A of 5.6 are a reflection of the many uncertainties at the beginning of the year.

Lake has had to bite hard on the bullet in the springs operation—terminal losses here come on top of a £107,000 trading deficit—and is having to look very closely at the jack company, the apparent ebullience of the valve division, the lack-lustre recent performance of other valve and valve control manufacturers. A switch away from the traditional shipping market to the petrochemical and refinery industries at the beginning of the year has clearly helped and demand for repairs and maintenance particularly looks reasonably buoyant.

Foundry profits have been boosted by a drive on market and orders for coal-cutting machinery, for example, seem strong. This autumn, the group is in limbo until customers settle their stock and ordering position and Lake has probably lost money in most operating areas in the first two months of the current financial year.

Higgs & Hill pulls out of civil engineering

FACED WITH continuing losses on civil engineering contracts Higgs and Hill is to cease tendering for major civil engineering work both at home and overseas.

A substantial increase in provisions for losses on such contracts in the UK and Trinidad has contributed to a slump of more than £1m in the first half 1979 taxable profit to £205,000. Some improvement in the second six months profit is forecast. Turnover for the half year slipped to £45m (£51m).

The two other main causes of the mid-year setback were the delay and disruption to the company's UK construction projects because of the severe winter weather and further delays in the settlement of several major contracts in the public sector.

Mr. E. W. Phillips, the chairman, says the mainstream of the group's contractual operations in traditional building remains strong with a good level of enquiries, although profit margins have tightened in recent years.

It was a successful half-year in the UK for the property division and good results in France were also achieved for the second half. Also the housebuilding subsidiary is making an increasing profit contribution.

With tax taking £107,000 against £252,000 and £4,000 (£21,000) going to minorities, the stated half-year earnings per 25p share came out at 1.2p (7.9p).

Though available profit emerged at £88,000 (£574,000) the net interim dividend is only lowered to 1.5p (2.2p) to reduce the dividend to £144,000 (£168,000). Because recovery in profits is expected next year and recent restrictions had led to a strengthening of reserves and liquidity, the directors aim to pay a maintained 3.551p total, £2.05p apart from Trinidad, the group's only present contract is the major Cairo Plaza project. This continues to make good progress towards scheduled completion in 1982. A successful contract was enjoyed in Bahrain but Mr. Phillips says the market in the region does not justify a permanent establishment in the Gulf.

The news from Higgs and Hill is, in a word, dismal. The drop in pre-tax profits from £1.2m down to £205,000 caps 18 months of decline for the company's civil engineering business. The

disrupting feature of the last year has been the recession in inflation. Although this is partly a consequence of international pressures, the Australian Government's recent budget reflected a determined bid to resist its effects.

More generally, the Government is to be commended in the circumstances for adopting a short view of economic life. There are in fact no quick solutions and no realistic alternatives to building up steadily the national capacity to generate wealth and employment by creating a climate conducive to capital formation.

Development of existing discoveries in Bass Straight continues. The Mackenzie and Tuna platforms are now both in production, although development drilling continues on both fields. The Cobia sub-sea development has been completed and is producing oil. The Snapper platform has been placed in position, and it is planned to have this field on stream in 1981. Work is continuing on the Cobia and Tuna Kingfish field developments, which are estimated to cost a total of \$400 000 000, to be shared equally by Esso and ourselves. In addition we have approved development of the smaller Flounder field at a total estimated cost of over \$200 000 000.

People and Technology. At the end of the period, the number of men and women working in the Group had increased by just over 2 000. More than half of that increase was made up of young people recently out of school, undertaking apprenticeships and technical courses with the Company. We continue with our general policy of providing training facilities to develop the skilled people we need, but at the graduate level, we are again, after a period of four years facing a shortage of qualified engineers and metallurgists.

Outlook for the Current Year. Turning to the future, our prospects both nationally and for this company are clearly sound, based as they are on resources of great economic significance. The latest rise in oil prices has put a question mark over the world economy, particularly as it comes at a time when the U.S. economy was already turning down. It will be surprising if this does not have some effect on Australia and on the Company's business.

So far as Australia is concerned, there are bright spots. These include the rural sector and the interest in large project investment, all of which will require considerable tonnages of steel. There is also no doubt that the industry in general and the steel industry in particular are much better placed to weather any international recession than they were after the 1973/74 rises in oil prices.

At this stage our steady order books are strong and our subsidiary and associated companies report high trends in demand in their respective fields. Therefore, we believe that the year ahead should afford opportunities for the continued use of our facilities at reasonably high levels.

If you would like to receive a printed copy of Sir James McNeill's address, write to: The Secretary, The Broken Hill Proprietary Co. Ltd., 140 William Street, Melbourne 3000, Australia.

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Mr. Edwin William Phillips, chairman, Higgs and Hill, no more major civil engineering contracts sought

able during the first half due to the MLR rise from 12 per cent to 14 per cent in June.

Running margins have also been adversely affected by the unfulfilled expectation of lower interest rates.

In the year ended March 31, 1979, the group paid a total dividend of 5.3317p when net profit was £1.42m (£2.12m) after provision for rebate and tax and a transfer to contingencies reserve.

Cartwright ahead to £502,000

PRE-TAX PROFITS of R. Cartwright (Holdings) advanced from £392,000 to £502,000 in the first half of 1979 on turnover ahead from £3.1m to £4.15m. The latest figures include three months from Smith Wallis companies which contributed taxable profits of £72,000 and sales of £604,000.

The net interim dividend per 10p share is being lifted from 1.5p to 1.725p. Last year the total was 4.061p on taxable profits up from £685,000 to £881,000.

After tax of £261,000 (£203,800) stated earnings per share at midway are up from 4.64p to 4.99p. Earnings for the latest half are based on a weighted average of 4,821,725 shares, compared with 4,051,725.

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Saudi efforts aid Stanley Miller profits

Taxable profits of Stanley Miller, building contractors and civil engineers, improved in the six months to June 30, 1979 at £98,468 against £31,438 last time. Turnover was static at £8m.

Contrasting with the depressed state of the UK construction industry, Mr. E. Bell, chairman, states that the company's efforts in Saudi Arabia are making a useful contribution and, unless unforeseen difficulties arise, the second half should continue in profit.

An interim dividend up from 0.5p to 0.6p is announced; last year's total was 1.2p paid from profits of £190,052. Dividends totalling £86,000 have been waived.

Tax takes £51,000 (£16,500).

Clive Discount interim raised

The directors of Clive Discount Holdings are increasing the interim dividend for 1979 from 2.03p to 2.12p but say trading conditions have been unfavourable.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corre. of year	Total of year	Total of last year
Alfred Income	4.0	Nov. 30	3.3	10.0	10.0
Alfred Capital	0.2	Nov. 30	0.165	0.5	0.5
Ash and Lacy	5.5	Nov. 1	3.5	7.4	7.4
BPM	3.19	Dec. 8	2.38	4.25	3.2
R. Cartwright	1.72	Nov. 26	1.5	4.06	4.06
Christies	1.75	Nov. 23	1.25	4.5	4.5
Clive Discount	2.12	Nov. 23	2.03	4.38	4.38
Consol. Gold Fields	10	Nov. 23	6	15.51	9.19
Ellis and Goldstein	1	Nov. 21	0.97	2.13	2.13
Empire Stores	2.4	Nov. 16	2.07	4.49	4.49
Epicure Holdings	0.67	Nov. 15	0.33	1	0.33
External Inv. Trst.	3.25	Nov. 15	2.75	5.6	5.6
Higgs and Hill	1.9	Nov. 30	2.22	3.26	3.26
House of Lerose	1.83	Dec. 11	1.53	4.38	4.38
M. P. Kent	2	Nov. 30	1.5	2.78	2.78
Laing Properties	2	Nov. 30	1	3	3
Lake and Elliot	2.77	Jan. 3	2.45	4.7	3.89
Lawter	1.91	Jan. 2	1.72	3.56	3.22
Lilleshall	1.0	Nov. 14	0.68	1.93	1.93
Lockwoods	4.3	Nov. 14	4.12	4.3	4.12
London and Strathely	1.2	Dec. 7	1.13	1.8	1.8
John Menzies	2.0	Jan. 7	1.29	3.39	3.39
Stanley Miller	0.6	Nov. 23	0.5	1.2	1.2
Roscaugh	0.28	Nov. 15	0.27	0.28	0.27
Transatlantic & Gen.	2.8	Nov. 15	2.5	5.25	5.25
Wombwell Foundry	1.13	Nov. 1	1.5	1.34	1.34

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Not less than 5.5p final forecast. § To reduce disparity. ¶ Plus special dividend of 0.5 p on account of current year.

M. P. Kent jumps 67% to £1.85m

AS FORESHADOWED at the interim stage, M. P. Kent, property and development group, achieved record profits for the year ended June 30, 1979. On marginally lower sales of £13.56m against £13.67m, taxable surplus jumped 67 per cent from £1.11m to £1.85m.

In April when reporting first-half profits well ahead of £77,000 (£87,000), the directors said they would be disappointed if record full-year profits were not achieved. The previous peak was £1.8m in respect of 1976-76.

On prospects, they now say that forward sales contracted both on property and housing developments are expected to substantially increase profits and shareholders' funds in the current year.

Shareholders' funds in the year under review increased by £1.9m to £9.11m.

After-tax earnings per 10p share were more than doubled from 8.5p to 17.2p, while the dividend total is lifted to 2.73p (2.26p) with a net final of 2p. A one-for-one scrip issue is also proposed.

Tax charge was reduced at £7,000 (£184,000) giving a net surplus up from £9,92m to £1.85m. Dividends overshoot £293,000 (£242,000).

Epicure jumps to £495,000

TAXABLE PROFITS of Epicure Holdings jumped from £141,000 to £495,000 in the year to June 30, 1979 on turnover well ahead from £3.5m to £6.9m.

And the group is trebling the total dividend from 0.33p to 1p net with a final of 0.67p. Stated earnings per 5p share are up from 0.67p to 1.46p.

The results include the first full year's trading of Sleas Holdings which was acquired in February 1978. Last year's figures included only 20 weeks from Sleas.

At midway pre-tax profits had advanced from £25,893 to £208,000.

The directors say that the realisation and rationalisation policy reported a year ago has continued and the programme of reorganising the trading activities is virtually complete. The group is working towards eliminating bank borrowings, which increased marginally during the year.

An extraordinary credit of £154,000 (this time £9,000 debit) was the excess from sale and writing off of assets.

	1979	1978
Turnover	6,906	3,496
Trading profit	784	224
Interest charges	289	83
Profit before tax	495	241
Tax	205	62
Profit after tax	290	79
Extraordinary credit	154	19
Attributable to shareholders	444	20
Dividends	182	25
Retained	362	44

† Debit. ‡ Chairman has waived entitlement to proposed final dividend for his entire shareholding.

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BHP Chairman's Review - 1979.

"...a marked improvement"

Sir James McNeill.

This is an extract of the address by Sir James McNeill, BHP Chairman, at the Company's Annual Meeting held in Melbourne on Tuesday 25 September 1979.



THIS YEAR it is pleasing to be able to present a result which shows a marked improvement. Group net profit attributable to Company shareholders, at \$178 736 000, was the highest we have yet achieved. It is encouraging to see this outcome of the considerable capital expenditure and planning and development effort, which continued through the years of economic and market recession. The efforts of our management and staff had a big bearing on the result.

Some recovery for Steel. The Steel Division's contribution to Group profit was a significant feature of the 1979 result. It was the outcome of several influences: a much better demand at home for steel products; higher export prices; a more competitive position for many of our customers, arising in large measure from reduced inflation and more favourable exchange rates; and not least, our capacity to meet these improving market conditions.

At this stage the Australian market position remains sound. However, in the international markets there are now signs of weakening demand. While we can reasonably expect to maintain a significant position in exports, rapidly rising freight costs will further reduce returns.

The Company has undertaken a considerable research and investment programme to provide higher technology steels, largely with a view to meeting the motor car industry's requirements through the 1980s for higher strength steels permitting an overall lower weight of vehicles. These investment commitments are based upon the assumption that the Government will continue to foster Australian manufacture of vehicles.

Mixed results in Minerals. The Minerals Division's 1979 year was characterised by higher levels of operations and lower returns. Industrial disputes affected both mining and shipping operations, particularly in the later months of the year under review. Deliveries to customers were disrupted on a scale which again threatens Australia's reputation as a reliable supplier.

By the end of the period, market conditions were improving. Iron ore prices had moved upwards, and manganese prices were recovering from their low levels. Shipments of both coking and steaming coal were increasing.

Group results

	1979	1978
Sales	3,817,310	2,373,300
Investment and other income	45,511	42,281
Profit before FAU, interest expense and tax	789,055	601,279
Debit FAU	294,362	253,026
Interest expense	83,901	76,869
Income tax expense	218,032	179,325
Net profit before extraordinary items	186,759	92,606
Net profit after extraordinary items	2,057	3,134
Net profit after extraordinary items to companies	186,702	89,226
Net profit attributable to other shareholders of subsidiary companies	7,966	7,443
Net profit attributable to BHP shareholders	178,736	81,383
The FAU charge includes FAVA of	141,060	118,862

Active oil and Gas Development. During the year, we completed the latest Bass Straight exploration programme by drilling ten wells, four of which were to delineate the new Fortescue discovery adjacent to the Halibut field. In partnership with Esso, we have drilled two wells in the Exmouth Plateau area of Western Australia. Both of these wells were plugged and abandoned as dry holes although some minor shows of hydrocarbons were encountered. These two wells cost approx. \$15 000 000. A third well is now being drilled. Exploration activity also continued in the Surat Basin in Queensland and in the North West Shelf areas offshore Western Australia where we hold interests with the Woodside group and others.

Major New Products. The new open cut coal mine at Gregory has begun operations and these will be progressively increased over the next few months. Shipments of coking coal to customers in Japan and Korea will commence from April 1980 in accordance with contract requirements. The Group has under consideration a very extensive programme of coal development. Deposits at Nebo, in Queensland, and at Broke, on the Northern New South

Wales fields, are included in these plans. The Australian Government's recent reversal of its earlier decision to phase out completely its coal export levy does not encourage such important developments.

Discussions on the formation of the consortium to build an alumina refinery at Worsley, in Western

Christies ahead midway and sees modest rise

TURNOVER for the first half of 1979 of Christies International, increased from £9.5m to £11.97m and pre-tax profits were £2.98m compared with £2.6m in the same period last year.

Given similar market conditions to those that existed this summer, there should be a modest increase for 1979 over last year's record £5.8m, the directors say.

The decline in the rate of growth of first half pre-tax profits arises from two main factors—expansion of activities which as yet have made little contribution to profitability and the increased strength of the pound. The international art market remains buoyant, the Board states.

To reduce disparity, the interim dividend is being raised from 1.25p to 1.75p. Last year's total was 4.5p.

The directors refer to the writ issued against Sotheby Parkes Bernet and Christie, Manson and Woods by certain members of the British Antique Dealers Association and the Society of London Art Dealers, claiming repayment of the buyers' premium and damages for breach of statutory duty.

Following the dealers' decision not to pursue their claim for an injunction pending trial, a date for the hearing of the trial has been listed for October, 1981.

The Christies' directors now say the decision to charge the premium was made independently. Assurance to that effect were given in response to enquiries from the Department of Prices and Consumer Protection in September, 1979. On that basis the directors have been advised that the dealers can have no claim against the group.

comment

Christies 11 per cent profits rise in the first half disappointed the market, and the shares slipped 15p to 153p. To be fair, much of the decline in the rate of growth is due to the unavoidable impact of unfavourable exchange rates, which probably clipped about £150,000 off the figures. Also, Christie's has spent roughly £1.5m on opening new sale rooms in New York and Glasgow, and developing auction capacity in Europe, all of which takes time to show up in profits. Business has been buoyant but much depends on the major sales in

Geneva, London and New York later in the autumn. It is expected they are successful. Profits could total £8.5m for the year, an increase of just 7 per cent. The shares appear to reflect the company's long-term prospects with a fully-taxed prospective p/e of over 10 and a yield which should top 5 per cent.

Lawtex falls to £413,000

LAWTEX, the clothing, umbrella and allied products group, reported taxable profits down from £501,965 to £412,788 in the year to June 30, 1979, an turnover up 18 per cent at £14.8m, against £12.5m. At midway the surplus declined from £246,471 to £187,000.

The directors say the improvements in sales and production in the second half have continued into the first quarter of the current year. But uncertainty about the economic outlook precludes any forecast of financial performance.

The year-end profit is struck after interest charges up at £249,000, against £142,000. After tax of £30,536 (£31,749), the surplus is £382,222 (£470,216). A final dividend of 1.9125p is proposed, lifting the total from 3.225p to 3.525p.

FIRST HALF profits of John Menzies (Holdings) improved from £1.1m to £1.17m, and for the second half they are expected to exceed last year's figure of £1.79m, although the increase will be less than has been experienced in recent years.

The directors are forecasting a dividend total up from 3.395p to 5p.

The growth of the group's retail division causes the major part of profits increasingly to be earned in the second half of the year, states Mr. John Menzies, chairman, in his statement for the 26 weeks to August 4, 1979. He adds that the Christmas trading period should provide good sales this year due to income tax rebates.

Profits in the wholesale division are dependent on industrial relations in newspaper offices, which have not been good in the first half, the chairman states.

The interim dividend is 2.0p (1.275p) and if trading expectations are fulfilled, a final of 4.0p will be recommended. The total dividend payment last year was 3.395p on taxable profits of £5.94m.

Turnover this time improved 16.4 per cent, from £88.69m to £103.22m. The taxable surplus is struck after interest charges of £305,000, but excludes an extraordinary debit of £654,000, relating mainly to the write-off of good will arising from acquisitions during the period.

After tax of £94,000, compared

to £172,000, stated earnings per 25p share rose from 6.2p to 6.9p.

comment

The wind has been taken out of Menzies' sails by a hefty interim interest charge. Borrowings are at a seasonal high but this year they have been inflated to nearly £5m by the costs of expanding the leasing operation, new acquisitions and, because sales have been below budget, higher stocks. The wholesaling operation has been particularly hard hit by the print stoppages in Fleet Street, costing up to 25m in last sales annually. So Menzies is looking to its retailing side to sail it out of difficulties this year. The acquisitions will mean an extra 13 per cent selling space, which will be useful for the important Christmas season. But until then, borrowings will remain at a high level and profits for the year may only reach 26.5m, an increase of under a tenth. Fully-taxed, the prospective p/e is 10.3 at 22p, down 10p, while the yield is almost 4 per cent, a higher rating than W. H. Smith's, which leaves the shares slightly vulnerable.

After lifting half-time profits by 25 per cent Ash and Lacy, the metal stockholder and perforator, is boosting the net interim dividend by 2p to 5.5p. And the Board, which points out that cash resources are strong, expects to pay a final of not less than 5.5p.

The taxable surplus rose from £876,000 to £1.1m in the first half of 1979 on turnover down from £14.9m to £12m. Last year the group paid a total dividend of 7.4p from pre-tax profits of £1.5m.

The directors say that the profits increase was achieved in spite of the haulage strike and the severe winter. But they warn that the indirect effects of the engineering dispute will inevitably affect second-half profits.

The interim taxable surplus was struck after a reduction in interest charges—down from £11,000 to £2,000. After tax of £570,000 (£455,000) the net surplus comes through at £526,000, against £421,000. The dividend absorbs £228,916 (£143,123).

The Board says that the disposal of the steel stockholding assets of Siddons Steel Sheet and Stanley and Sanders has been progressing well. It is apparent that the provisions made in the 1978 accounts are likely to be more than recovered in the accounts for the full year 1979.

The comparative figures for 1978 include the results of the steel stockholding warehouses, at Smetwick and Tonbridge,

Ash and Lacy advances to £1.1m and hoists payment

which were closed down early this year.

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month and, when fully operational in the second half of 1980, capacity will have risen by some 30 per cent help underpin medium term prospects.

£0.16m fall at House of Lerose

AFTER an exchange loss of £124,582, compared with a gain of £54,025, pre-tax profits of House of Lerose fell from £564,071 to £439,489 in the first half of 1979. External sales were marginally higher at £8.24m, against £8.05m.

Mr. M. N. Rose, chairman of the ladies' knitted outerwear concern, says UK sales continue to be buoyant, with Lerose having sold its complete garment manufacturing capacity for spring and summer 1980.

The reorganisation in the Netherlands is continuing. Mr. Rose says it is imperative that the group's manufacturing facilities in that country are significantly reduced.

Tax for the half-year took £281,442, compared with £255,334. Earnings per 25p share are given as 2.15p (5.42p) including exchange rate adjustments, and as 4.45p (4.22p) excluding the same.

The net interim dividend is held at 1.53p.

Lockwoods well down but cautiously optimistic

FOLLOWING THE midway decline from £946,000 to £602,000, profits of Lockwoods Foods continued to fall in the second six months and the fruit and vegetable earnings concern ended the May 31, 1979 year with pre-tax surplus well down at £306,000, compared with a record £2.25m previously.

However, prospects for the current year have improved and forward sales booked in the UK from June 1 show a substantial increase. With profit margins also showing a more healthy trend, the directors say that generally the outlook indicates grounds for cautious optimism.

Earnings per 25p share for the year slumped from 13.56p to 6.6p, but the dividend is raised to 4.30443p (4.11996p) net.

Tax took £553,000 (£1.15m) and there were extraordinary debits of £131,000 this time, which comprised costs incurred on closing the Liverpool factory and exchange losses.

£85,000 profit from W. Jacob

Pre-tax profits of W. and R. Jacob and Co., the biscuit manufacturer, fell from Irish £214,000 to £85,000 in the 28 weeks to July 13, 1979. But this represents a recovery from a loss of £335,000

in the second half of last year. The surplus was struck after depreciation of £297,000 (£283,000) and interest of £150,000 off the figures. Also, Christie's has spent roughly £1.5m on opening new sale rooms in New York and Glasgow, and developing auction capacity in Europe, all of which takes time to show up in profits. Business has been buoyant but much depends on the major sales in

There is again no tax charge for the period. Earnings per 25p share are given as 1.5p (5.8p). The net interim dividend is held at 1.2p—last year's total was 2.7p.

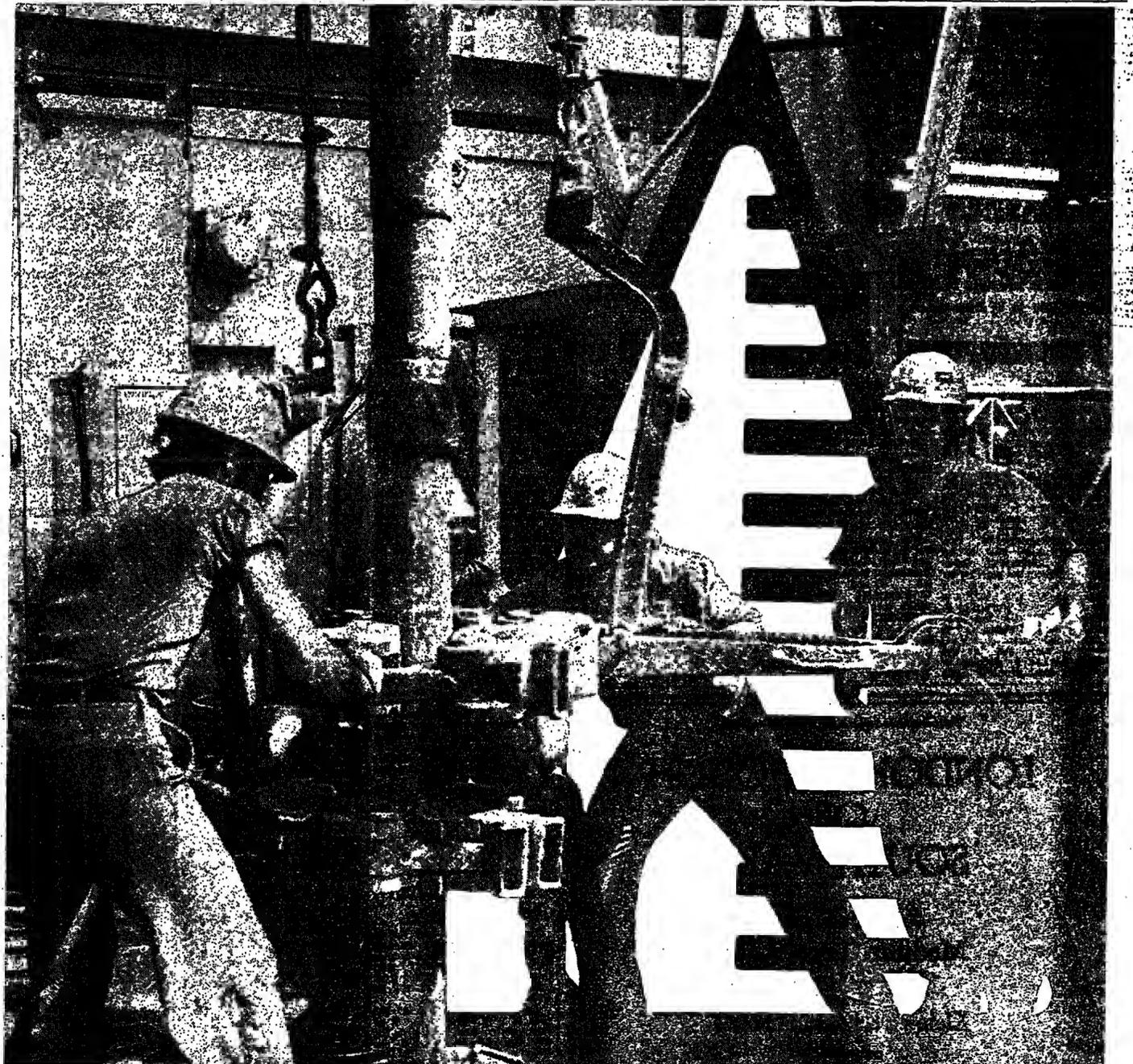
The directors say the trading relationship with Associated Biscuit Manufacturers is proceeding but will have no material benefit on the current year's results.

Lilleshall expands to £203,000

PROFITS BEFORE tax of Lilleshall Co., the steel and engineering group, advanced from £126,257 to £203,387 in the first half of 1979, an increased turnover of £5.08m, against £5.14m.

The net interim dividend is stepped up from 0.6833p to 1p—last year's total of 1.933p was paid from profits of £273,000 (£310,000).

After half-yearly tax of £105,746 (£65,654), net balance came through higher at £97,641, compared with £60,603. Stated earnings per 10p share are up from 2.6p to 4.2p.



EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published in an eight-page format on the following dates in the remainder of 1979:

- November 12
- December 10

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The Financial Advertisement Department on 01-248 8000 Ext. 424 or 389

Clive Discount Holdings Limited

Interim Statement
The directors of Clive Discount Holdings Limited have pleasure in declaring an interim dividend on the ordinary shares of the company of 2.12 pence per share (equivalent to 3.03 pence per share including the tax credit applicable to United Kingdom shareholders) in respect of the year ending 31st March 1980, compared with the interim dividend of 2.03 pence per share (equivalent to 3.03 pence per share including the tax credit) for the year ended 31st March 1979. The cost of the dividend amounts to £324,833 (1979—£206,327).
Trading conditions have been unfavourable during the majority of the period due to the rise in Minimum Lending Rate from 12% to 14% in June. Running margins have also been adversely affected by the unfulfilled expectation of lower interest rates.
The dividend will be paid on 23rd November 1979 to shareholders registered at the close of business on 2nd November 1979.
1 Royal Exchange Ave., London EC3V 3LL. Tel: 01-283 1101

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European Energy Division, 9 Queen Victoria St., London EC4P 4DB.
Telephone: 01-236 5000. Telex: 8833341.

BIDS AND DEALS

UK COMPANY NEWS

Blue Circle hopes to raise profits of Chilean purchase

Blue Circle Industries is hoping to increase profits of its latest foreign acquisition, an 82 per cent stake in Chile's largest cement manufacturing company, Fabrica de Cemento El Melon.

well at the moment and Mr. Sumner confirmed his expectations at the annual meeting in July that the group would see significant growth this year.

The UK group has paid £19m for the stake and is offering to buy the rest from the Chilean public. It bought the shares from CORFO, the Chilean Government's industrial development agency.

According to Dr. Gordon Marshall, the Blue Circle director responsible for overseas investment, the market in Chile should show an increasing growth rate over the next few years after the recent downturn.

Asked whether Blue Circle had any reservations about moving into Chile, he said: "There are political problems in many countries."

Its major competitor in Chile will be the Holderbank concern of Switzerland, which controls the other major Chilean cement group.

Mr. C. S. J. Sumner, the chairman, said that he hoped to be able to make the announcement "very shortly".

STAR GROUP BUYS CINE CENTA Star Group, a privately-owned cinema, disco and drinks company based in Leeds, is buying up Cine Centa to increase the number of its screens in the West End of London.

Neither company would put a value on the deal. Cine Centa, which is partly foreign owned, controls 23 screens, of which nine are outside London.

Belhaven Ashpoint settlement soon

Belhaven Brewery Group, the Scottish brewing concern which has been involved in a dispute with its former chairman Mr. Roy Ling over the Ashpoint company, has reached an accommodation on a number of issues with Ashpoint and its vendors.

Details of the settlement will be incorporated in a full circular shareholders' letter, which it is expected will be sent out later than October 24, together with the report and accounts.

Mr. Ling's Ashpoint plastic packaging company was sold to Belhaven last December. He became managing director of Belhaven and in July, chairman of the company, a position he held for only a few weeks.

Although still a director and in charge of the Ashpoint operations, Mr. Ling has issued a writ against Belhaven for wrongful dismissal.

TERN-CONSULATE ACQUISITION Tern-Consulate has acquired for £100,000 cash Lloyd Menswear, manufacturer and distributor of dressing gowns, swimwear and menswear accessories.

Net assets acquired had a book value of £369,870 as at December 31 1978. The pre-tax loss for the year was £47,564. The consideration will be funded out of existing resources.

H & C BUYS MORE MALAYSIA RUBBER Harrison and Crossfield has increased its stake in Malaysia Rubber from 28.8 per cent to 27.9 per cent. The purchase takes the total interest of H & C and concert parties from 65 to 68 per cent.

MERU/TEA CORP. Meru Group's offer for the 630,084 ordinary shares of 25p each in Tea Corporation was accepted in respect of 56,555 shares and has closed.

BRITISH VITA BUYING PORTWAYS British Vita Company has conditionally agreed to buy the capital and subordinated loan stock of Daport's fibre fillings subsidiary, Portways, for £1.15m cash.

Net tangible assets of Portways at January 31 1979, amounted to £847,000, after deducting a deferred tax liability of £96,000. Pre-tax profits for the 1978-79 year were £241,000 (£119,000).

WESTERN MOTORS W. Mumford (a subsidiary of Western Motor Holdings) is acquiring Philips Motors, a private company which holds the Dutch franchise in the Cheltenham area.

JAS GRANT James Grant and Co (East) states that the agreement entered into with Carrick Furniture Holdings announced in August - has become unconditional.

Yorks.General bonus raised Yorkshire-General Life Assurance, the life company member of the General Accident Group, has increased its interim bonus rates as from the beginning of this month on all classes of with-profit contracts.

Link House underwriting Underwriting has been completed for the offer-for-sale of about 25 per cent of the capital of Link House Publications, publishers of Exchange and Mart.

Transatlantic and General Although the contribution from investment dealing subsidiaries slipped from £50,826 to £44,455, Transatlantic and General Investments improved pre-tax profits from £93,561 to £103,488 for the six

BPM profit near £6m and dividend increased

FOLLOWING the increase from £1.25m to £2.55m in the first half profits before tax of BPM Holdings, the Birmingham-based newspaper group, rose from £4.07m to £5.94m in the year ended June 30, 1979.

The directors say that despite some uncertainty at midway, the factors which were in the group's favour, held good.

Advertising volumes in nearly all papers maintained an increase over the previous year to around 10 per cent and the net cost of newspaper did not increase as expected due to the continued strength of sterling.

Francis Parker up £42,000 at halfway Profits before tax of Francis Parker moved ahead from £135,000 to £177,000 for the first six months of 1979, on turnover up by £1.5m to £3.82m.

Laing Props. down £0.25m so far A SHARPLY lower net trading surplus of £400,000, against £1,127,000, left Laing Properties showing a £245,000 decline in first half 1979 taxable profit to £2,700,000.

53% fall at BP Australia Australia was hit by inflated crude oil prices and a poor result from its coal operation, Cintha Developments, in the first half of 1979.

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BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Omitting indications are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

Table with columns: Company Name, Meeting Date. Includes: Intermex-Atlas Electric and General, B.S.G. International, Brunton, Debenhams, Foster Brothers Clothing, Green's Economiser, Helene of London, Martin-Black, Minea Holdings, John Mowlem, Whittington Engineering, Finesse, Phoenix International, Turrit Corporation.

FUTURE DATES

Table with columns: Company Name, Meeting Date. Includes: Bishopsgate Trust, City of Oxford Investment Trst, Clayton, Son, Hawker Siddeley, Lee Cooper, Mercury, Sphere Investment Trust, Taylor, Pelliner.

TODAY

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Table with columns: Company Name, Meeting Date. Includes: Bishopsgate Trust, City of Oxford Investment Trst, Clayton, Son, Hawker Siddeley, Lee Cooper, Mercury, Sphere Investment Trust, Taylor, Pelliner.

TODAY

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Barr and Wallace up at midway

PRE-TAX PROFITS of Barr and Wallace Arnold Trust rose slightly to £1.3m in the seven months to July 31, 1979, against £1.23m for the corresponding period last time, on turnover up from £33.99m to £30.17m.

The increase in trading performance is being maintained in the current half and the directors expect results for the second six months to be an improvement on the corresponding period of 1978.

Profits for 1978 reached £790,000, compared with £24,000 in the previous nine months. The £1.2m yearly tax takes £3,000 (£13,000) and earnings per 10p share are shown up from 0.47p to 0.87p basic, and from 0.68p to 0.87p diluted. Again no interim dividend is recommended - no payments have been made since 1975.

CRADLEY rises to £0.28m at year-end TAXABLE PROFITS of Cradley Printing advanced from £155,842 to £288,579 in the year to June 30, 1979. The major advance came from the parent company which lifted profits from £157,830 to £255,390.

Francis Parker up £42,000 at halfway Profits before tax of Francis Parker moved ahead from £135,000 to £177,000 for the first six months of 1979, on turnover up by £1.5m to £3.82m.

Laing Props. down £0.25m so far A SHARPLY lower net trading surplus of £400,000, against £1,127,000, left Laing Properties showing a £245,000 decline in first half 1979 taxable profit to £2,700,000.

53% fall at BP Australia Australia was hit by inflated crude oil prices and a poor result from its coal operation, Cintha Developments, in the first half of 1979.

Yorks.General bonus raised Yorkshire-General Life Assurance, the life company member of the General Accident Group, has increased its interim bonus rates as from the beginning of this month on all classes of with-profit contracts.

Link House underwriting Underwriting has been completed for the offer-for-sale of about 25 per cent of the capital of Link House Publications, publishers of Exchange and Mart.

Transformed Rosehaugh well up

Rosehaugh yesterday unveiled the full fruits of its transformation from a tea company shell into a property dealing and investment group with attributable profits for the year to June 30, 1979, up from £224,399 to £2,174,700.

At the same time it announced the second stage of its restructuring which will involve bringing several associated companies within the main group and give Mr. Godfrey Bradman full control and the chairmanship.

The deals have still to be approved by independent shareholders at the annual meeting on November 5, so the suspension in the company's share listing is likely to last until November 6.

Pre-tax profits for the year totalled £1.6m, of which all but £37,000 came from associated companies. Below the line the figure is swollen by extraordinary profits from property deals

of which the major was the £1.2m surplus from the sale to Bovis of Rosehaugh's interest in Tanagerate, a company specially set up to buy a £15m property portfolio from Legal and General.

Following that sale, Rosehaugh's other major associated companies have been Tonnerion, which is developing an industrial site in Croydon, and Baxtergate, which is involved in property share dealing and investment.

The intention now is to buy out the outside interests in these two companies. In addition, Rosehaugh plans to bring within its central organisation Partnership Property Group, which has until now provided Rosehaugh with the professional advice for the property deals of the past two years.

Partnership is 90 per cent owned by London Mercantile Investments, the investment group controlled by Mr. Bradman. As the purchase of Partnership is to be by way of Rosehaugh shares, Mr. Bradman will become the majority shareholder in Rosehaugh. He already owns just under 50 per cent of the group.

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LONDON BOROUGH OF SOUTHWARK £10,500,000 Medium Term Loan Managed by Kleinwort, Benson Limited and provided by Commerzbank AG, Banco Español en Londres, Kleinwort, Benson Limited, Toronto Dominion Bank, United California Bank, Associated Japanese Bank (International) Limited, Bank Für Gemeinwirtschaft AG, London Branch, Bank of New Zealand, The Commercial Bank of Australia Limited, Crédit Lyonnais London Branch, Malayan Banking Berhad, London Branch, Nordic Bank Limited, Société Générale (France) Bank Limited, United Overseas Bank Limited. Agent: Kleinwort, Benson Limited. Introduced by: R. P. Martin & Co. Limited.

Yorks.General bonus raised Yorkshire-General Life Assurance, the life company member of the General Accident Group, has increased its interim bonus rates as from the beginning of this month on all classes of with-profit contracts. On ordinary life policies the rate is now 53 per cent of £1,000 of sum assured compared with the last declared rate of 36 per cent. On personal pension policies and single premium pension contracts the rate is 57 per cent of the basic benefit and attaching bonuses against 53 per cent previously. On annual premium pension contracts, the rate is lifted to 57.50 per cent compounded from 55 per cent. Mr. Norman Graham, assistant general manager, stated that these higher bonus rates, coming just one month after the 25 per cent rise in terminal bonus rates, was evidence of the strength of the company's funds and underlying investments. The competitive position of the company's with-profit contracts was again improved. The National Farmers' Union Mutual Insurance Society has improved the terminal bonus rates on its Farmers' Pension Policies by adding a vesting bonus of 30 per cent of attaching bonuses. This adds another bonus to the pension when the investor retires. Thus the total terminal bonus at present is 40 per cent plus 1 per cent for each year in force prior to 1970. A similar bonus applies to Personal Pension Policies issued by Avon Insurance Company, a wholly owned subsidiary of NFU Mutual.

NOTICE OF REDEMPTION To the Holders of W. R. Grace Overseas Development Corporation 5 1/2% Guaranteed Sinking Fund Debentures Due 1980 NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of November 15, 1965 under which the above-described Debentures were issued, Morgan Guaranty Trust Company of New York, as Trustee, has selected for redemption on November 15, 1979, through the operation of the Sinking Fund, an amount of the principal amount thereof, \$1,250,000 principal amount of the above-described Debentures. The serial numbers of said Debentures so selected are as follows: COUPON DEBENTURES OF \$1,000 [List of serial numbers follows] On or after November 15, 1979, the Debentures selected for redemption will be paid up present value and surrendered thereof at the corporate trust office of Morgan Guaranty Trust Company of New York, 60 West Broadway, New York, New York 10013, or at the principal offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London and Paris, of Algemeene Bank Nederland, N.V. in Amsterdam, of Credito Italiano in Milan, and of Banque Lambert-Luxembourg, S.A. in Luxembourg-Ville. Debentures surrendered for redemption should have attached all coupons maturing after November 15, 1979. Coupons due November 15, 1979 should be detached and collected in the usual manner. From and after November 15, 1979 interest shall cease to accrue on the Debentures selected for redemption. W. R. GRACE OVERSEAS DEVELOPMENT CORPORATION Dated: October 11, 1979

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Companies and Markets

MINING NEWS

Record earnings at Gold Fields

BY PAUL CHEESERIGHT

BACKED BY record profits, Consolidated Gold Fields yesterday declared a final dividend of 10p, bringing total payments for 1978-79 to 13.5108p, an increase of 47 per cent over the previous year.

Net attributable profits for the year to June at the London natural resources, industrial and investment group rose to £56.2m from £34.5m in 1977-78. Earnings per share were 52 per cent higher at 38.12p.

been re-shaping itself. There have been extensive senior management changes and an effort is being made to seek a balance between, on the one hand, industrial undertakings which provide quick and regular earnings and, on the other hand, mining ventures where returns may be higher but where risks may be greater.

Table with 2 columns: 1978 and 1977. Rows include Construction materials, Mining, Associated invests, Realisation of invests, Other revenue, Making associates, Share of associates, Profit before int. & tax, Interest payable, Profit before int. & tax, Group tax, Asses. tax, Profit after, Minority interests, Non-recurring, Ordinary dividends, Retained.

Western Mining in BH South bid

BY JAMES FORTH IN SYDNEY

WITH THE largest offer ever made in Australia for a listed company, Western Mining Corporation of Melbourne has joined an AS210m (£109.5m) takeover battle for BH South, a local mining and investment house.

Western Mining yesterday disclosed a bid which values BH South at about A\$35m more than an offer already on the table from Conzinc Riozinc of Australia (CRA), which is 68.3 per cent owned by Rio Tinto-Zinc of London.

CAMPBELL FINDS MORE GOLD

Gold ore grades significantly higher than expected have been encountered in a new area under development by Campbell Chibogama Mines at the Henderson copper-gold mine in Quebec, reports John Sogahin from Toronto.

SCOTTIE GOLD

Scottie Gold Mines of Vancouver plans to start production next summer at its small but good grade deposit near Stewart in the north of British Columbia.

International round-up

Seaham Explorations said that widespread uranium mineralisation had been discovered in its exploration licence area near Lake Torrens in South Australia.

Canadian group, has obtained written commitments from institutional lenders for financing to complete its \$225m (£243.5m) acquisition of Reserve Oil and Gas.

Ulat Exploration of San Francisco has withdrawn from its option agreement with Endeavour Resources of Melbourne for the exploration of a porphyry copper deposit in Sulawesi, Indonesia.

OIL AND GAS NEWS Home Oil in Guyana onshore search

A CONSORTIUM of four oil companies, headed by Canada's Home Oil and Gas, is to enter into an agreement with the Guyanese Government to explore for oil in the Takatu Basin in the country's north-west region.

preliminary re-interpretation of offshore data by Seagull and Denison, who hold a joint concession, has been encouraging and a new agreement is to be signed mid-month to step up the search.

It is now considered that oil was encountered in earlier wells drilled, but not tested, and that potential exists for a small, low pressure field.

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of BUILDING SOCIETY RATES on offer to the public.

NEB Nippon European Bank sa. Financial highlights table for 31 March 1979 and 31 March 1978. Includes shareholdings list.

Parlez-vous International Business? In key world business centres, we speak your language, because we are there too. Société Générale de Banque Generale Bankmaatschappij.

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Bond trading hits Harris Bankcorp

BY OUR FINANCIAL STAFF

SEVERAL LEADING U.S. banks have turned in higher third quarter profits with the notable exception of Harris Bankcorp...

to \$7.7m or \$1.12 a share for the third quarter. Nine-month results were also higher. Net operating profit was \$24.7m or \$3.64 a share...

Operating earnings at the nine-month mark advanced by 20 per cent, from \$62.5m or \$3.18 a share to \$75.2m or \$3.83 a share...

BanCat Tri-State Corporation, which owns the Bank of California—eighth largest in the state—boosted third quarter profits by 32 per cent...

Outstanding third quarter for Teledyne

By Our Financial Staff

A FURTHER substantial upswing in earnings despite a weakening in sales revenues is reported for the third quarter by Teledyne...

Peak earnings from Mead but outlook is uncertain

BY IAN HARGREAVES IN NEW YORK

MEAD CORPORATION, the Ohio-based forest products and general industrial group, yesterday reported a sharp increase in third quarter earnings...

also suffering weaker demand from the car industry for many of its metal products. Around 60 per cent of Mead's castings are used in the automotive industry...

Brascan raises stake in Noranda

By Robert Gibbins in Montreal

BRASCAN, the major holding company controlled by the Peter and Edward Bronfman interest of Montreal and Toronto, has bought a further block of 250,000 shares of Noranda Mines...

Inland Steel profits trimmed

CHICAGO — Inland Steel's third quarter earnings have failed to live up to earlier expectations. Despite high operating levels, net profit for the period was "down" from the 1978 period...

but with shipments running around 4 per cent below earlier projections, earnings for the full year also will fall behind 1978 results.

Mr. Jaicks commented that "We're not all that bearish on 1980 and are confident of being able to maintain a good operating level."

Eurodollar bonds fall sharply

BY FRANCIS GHILES

STRAIGHT EURODOLLAR bonds posted their steepest falls of the week yesterday. Prices were marked down by as much as two points during the morning and fell a further half point in early afternoon.

Record gains seen in Cooper Industries

By John Wicks in Zurich

TURNOVER of Cooper Industries, Houston, the engineering group and producer of compressors for the oil and gas industries, should reach some \$1.4bn this year, compared with \$781.9m in 1978.

Schering-Plough moves ahead

BY OUR ZURICH CORRESPONDENT

RECORD TURNOVER of \$1.4bn is expected this year by the pharmaceutical concern Schering-Plough Corporation of Kenilworth, New Jersey.

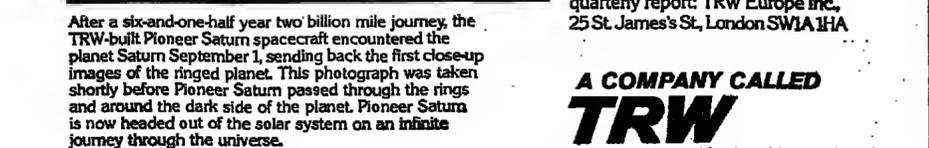
next five years. Certainly beyond 1984, this growth rate would be a likely target for Schering-Plough.

REPORT TO INVESTORS from a company called TRW

TRW Reports Higher Results for First Six Months

Table with 2 columns: 1979 and 1978. Rows include Worldwide Consolidated Sales, Pre-Tax Profit, Net Earnings, Earnings Per Share, Dividends Paid Per Common Share, and various metrics for Six Months.

TRW Inc., an international supplier of high technology products and services, reports 1979 second quarter and six months sales, earnings and earnings per share up substantially from 1978.



After a six-and-one-half year two billion mile journey, the TRW-built Pioneer Saturn spacecraft encountered the planet Saturn September 1, sending back the first close-up images of the ringed planet.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists.

Large table listing international bond issues with columns for U.S. Dollar, Issued, Bid, Offer, Day, Week, Yield, and other metrics. Includes sections for Floating Rate, Convertible, and U.S. Quarterlies.

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INTERNATIONAL COMPANIES and FINANCE

Rapid recovery at Rhone-Poulenc

BY DAVID WHITE IN PARIS

RHONE-POULENC, the French chemical group which was making heavy losses three years ago, is to bring forward its plan for raising funds on the stock market to before the end of this year because of the progress made in its recovery programme.

roughly twice that level for the whole of this year and fall within a range of FFrs 500m to FFr. 700m (\$120m-\$170m). Total group net profits last year, including exceptional gains, were FFr 238m. The first half also produced FFr 76m in exceptional gains, bringing the net earnings figure for the six months to FFr 376m.

French group in the field. M. Gandois said that after the losses of 1975 and 1976, he considered the patient to be cured and to be in a vigorous enough condition to put up with a bit of cold air.

The cost of debt servicing to Rhone-Poulenc, about 5 per cent of turnover, is considered exorbitantly high in comparison with the group's international competitors.

Sharp advance at Swedish pulp group

By Victor Kayfetz in Stockholm

SWEDISH PULP, paper and board group, Papyrus reports pre-tax earnings of Skr 81m (\$19m) for January-August, against Skr 1m. Barring major currency rate changes, the company forecasts that continued good demand will result in a higher profit in September-December than the average for each of the preceding four-month periods.

Norsk Hydro sees higher profit

BY FAY GJETER IN OSLO

NORSK HYDRO, the Norwegian metals, chemicals and energy group, expects to achieve better profits this year than the Nkr 338m (\$67.5m) pretax, returned in the year ended June 30, 1979.

amounted to Nkr 1.1bn, compared with Nkr 2.8bn the year before. As new plants have come into operation Hydro's capacity for self-financing has improved.

The petro-chemicals division, expects to approach the break even point for 1979-80, after a loss at its operating level of nearly Nkr 300m, in 1978-79, though financial costs will still not be fully recovered.

Penn Pacific fund raising

NEWPORT BEACH — The California-based Penn Pacific Corporation said that a European drilling fund based in Munich has been approved for sale in West Germany.

Margins squeeze at Banque Rothschild

BY OUR FINANCIAL STAFF

A WARNING that banking margins in the second half of this year will be less favourable than those prevailing during the opening three months came yesterday from Banque Rothschild, the parent company for the French banking and mining group.

NMB withdraws bond

BY OUR FINANCIAL STAFF

THE F1 150m bond issue from Nederlandse Middenstandsbank, one of the big four banks in Holland, was yesterday withdrawn from the market.

West German loan for Burmeister and Wain

BY HILARY BARNES IN COPENHAGEN

DANISH Minister of Commerce, Mr. Arne Christiansen, confirmed yesterday that the Burmeister and Wain shipbuilding and engineering group had been authorised to accept a loan of Dkr 75m (\$15m) from West German MAN group with shares in B and W's marine diesel division, Alpha Diesel, acting as security.

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U.S. \$35,000,000 Texas International Airlines Capital N.V. Guaranteed Floating Rate Notes Due 1986

U.S. \$20,000,000 Floating Rate U.S. Dollar Negotiable Certificates of Deposit, due 14th April, 1982 THE YASUDA TRUST & BANKING COMPANY, LIMITED LONDON

Counter-bid for stores group from Radar

By Our Financial Staff

THE FRENCH supermarket group Radar has entered the battle for the retail store chain Paris-France with a bid for all the shares at a price of FFr 305 each.

First half rise at Air Liquide

By Our Financial Staff

THE FRENCH group Air Liquide hosted pre-tax profit at the parent company level by 15 per cent to FFr 276m (\$86m) in the first half of the current financial year.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY. UNI U.S. \$110,000,000 FINANCING for UNI REFINING INC. U.S. \$30,000,000 Medium Term Loan and U.S. \$80,000,000 Letter of Credit Facility

PETROBRAS Petróleo Brasileiro S.A. Rio de Janeiro DM 125,000,000 8% Bonds due 1989. WESTDEUTSCHE LANDESBANK GIROZENTRALE, CREDIT LYONNAIS, MANUFACTURERS HANOVER Limited, J. HENRY SCHRODER WAGG & CO. Limited, KUWAIT INVESTMENT COMPANY (S.A.K.), SWISS BANK CORPORATION (OVERSEAS) Limited, EUROPEAN BRAZILIAN BANK LIMITED EUROBRAZ

Earnings curb for Hongkong Electric

By Philip Bowring in Hong Kong

THE Hongkong Electric Company, the electricity utility which is the main subsidiary of Hongkong Electric Holdings Ltd. is to be subject to a Government scheme of control on its profits. The scheme, similar to one already applying to the other Hong Kong electricity supplier, China Light and Power, will be based on a maximum return on fixed assets. A return of 13.5 per cent will be permitted on assets acquired prior to the beginning of this year, and 15 per cent on subsequent additions.

The profits control scheme regularises a situation which has been in informal existence for several years. Any profits in excess of that permitted will be transferred to development reserves and a rate reduction reserve.

Hongkong Electric was restructured in 1976 in preparation for a formal scheme of control so that its appliance sales and property development businesses would not be subject to the ceilings imposed on profits.

MALAYSIAN NEWS

Increased output lifts Batu Lintang result

By WONG SULONG IN KUALA LUMPUR

BATU LINTANG, one of the plantation companies under the Lee Loy Seng group, has reported a 63 per cent increase in pretax profits to 5.3m ringgits (US\$2.45m) for the year ended June. It is giving a final dividend of 15 per cent, compared with 10 per cent previously.

The improved output of palm oil was the main reason for the sharp increase in profits. A total of 22,200 tons of fresh fruits was harvested, representing 57 per cent more than previously. Rubber production fell marginally as a result of replanting operations, but this was made up by higher purchases from outside sources so that its rubber processing factory was able to operate efficiently.

TASEK CEMENT, one of the three publicly-quoted cement companies in Malaysia, has turned out a good set of results despite stagnant prices and rising fuel costs. After-tax net profit for the year ended June was 10.9m ringgit (US\$5.1m)

representing a 29 per cent increase over the previous year.

The other two cement companies — Malayan Cement and Pan Malaysia Cement Works registered declines of 7 per cent and 12 per cent, respectively, in their profits for the last financial year, and both blamed stagnant cement prices and rising fuel costs as major reasons for reduced earnings.

In the case of Tasek Cement, its high profits appear to be derived, strong sales apart, from the benefits of using modern technology in producing cement, which resulted in considerable saving in fuel. It is making a final 10 per cent dividend, bringing total dividend for the year to 17.5 per cent, (against 14.6 per cent previously).

Of late, the share prices of the three cement companies have been hoisted on the Kuala Lumpur Stock Exchange by the Government's announcement in August increasing the cement prices by 30 per cent. This is the first price rise for cement in five years.

Boost for National Bank of Bahrain

By Our Bahrain Correspondent

THE NATIONAL BANK OF Bahrain has reported provisional nine months profits of Bahrain dinar 2.85m (\$7.49m), a 12 per cent increase on the BD 2.54m for comparable period of 1978. Profits for 1978 as a whole were BD 2.92m.

Total assets have dropped by just over 10 per cent over the last 12 months, from BD 231.66m to BD 208.74m. The bank attributes this to a contraction of money market activities in the face of volatile interest rates in both U.S. dollars and the regional currency in which the National Bank of Bahrain deals. Assets have, nevertheless, risen slightly from June, when the figure was BD 188.17m.

The loan volume has increased by more than 10 per cent.

China Engineers

CHINA ENGINEERS (Holdings) has become a wholly owned subsidiary of Sime Darby Holdings. This follows a court hearing of the petition to approve a scheme of arrangement, writes our financial staff.

NEW ISSUES

Gulf Investment shares leap ahead

BY MARY FRINGS IN BAHRAIN

BIDS in the Kuwait market for shares in the U.S.\$125m Gulf Investment Company Ec have climbed to \$5 in dealings this week, from \$3.60 on Monday. The price compares with the shares' nominal value of \$1, at which \$25m of stock is currently on issue. Subscriptions opened in Bahrain for the U.S.\$25m public shareholding only on Monday, and will end on October 18. Allocations are expected to be made on or before October 23.

The market price has jumped following the news that subscribers for shares in the Bahrain offshore company are required to make a 5 per cent down payment in cash on their applications, for a maximum of 1m shares.

The three banks handling the share applications—Bank of Bahrain and Kuwait, the National Bank of Bahrain and Al-Ahli Commercial Bank—have been instructed not to lend for this down-payment. The cost of borrowing dollars on the offshore market is currently 14 per cent. However, credit facilities for the remaining 95 per cent of the value of the share subscription are expected to be available at around 8 per

cent interest, so far as they are no more than transactions in the ledgers of one bank.

Another factor in the demand for the shares is the increased value of Gulf Investment Company, arising from the agreement of the banks to pay 2 per cent interest on funds standing to its credit during the subscription period. This is a departure from normal practice in Bahrain, and follows an 8 per cent interest payment to Gulf Medical Projects Company in Sharjah last month.

Gulf Investment Company's capital was originally registered as \$100m, of which three quarters was offered to founder shareholders around the Gulf, including Bahrain.

The promoters of the company are a leading Kuwaiti engineer, Mr. Salah al-Rayyes, and one of the Kuwaiti directors of the Bahrain Flour Mill Company, Mr. Khalid al-Saghar. Other professional people, such as doctors, engineers and architects were invited to subscribe, but although numerically 50 per cent of the founders were individuals of this class, they accounted for only 10 to 15 per cent of the finance, it is understood. The maximum holding in

the name of one founder is \$500,000.

More than 2,000 founders, mainly banks, insurance companies and other financial institutions, representing 70 per cent of the funding, were from Kuwait. Another 50 or so founders, contributing about 20 per cent, were from Bahrain, and most of the remainder were from Saudi Arabia.

However, even the founders' shares were over-subscribed, and their equity was increased from \$75m to \$100m—the amount for public subscription remaining at \$25m.

A side effect of the demand for founders' shares was a temporary shortage of liquidity in Kuwait, where the equivalent of \$250m was deposited with one bank. But the bank said that the funds were quickly relined in the market, and the surplus was repaid after allocations to the founders were completed.

It is suggested in the Bahrain money market that the underlying cause of the drain on liquidity has been the flight from the Kuwaiti dinar, which did not change its value against the dollar during September, although the dollar was constantly under pressure.

The Kuwaiti dinar is measured against a basket of currencies with a strong yen component, reflecting Kuwait's important trade with Japan. But the yen was also weak during September, and this had its effect on the dinar.

For the public share issue in Gulf Investment Company, few bankers are predicting a repeat of the Gulf Medical project's spectacular issue in Sharjah last month, in which \$4m of shares were 2,349 times over-subscribed.

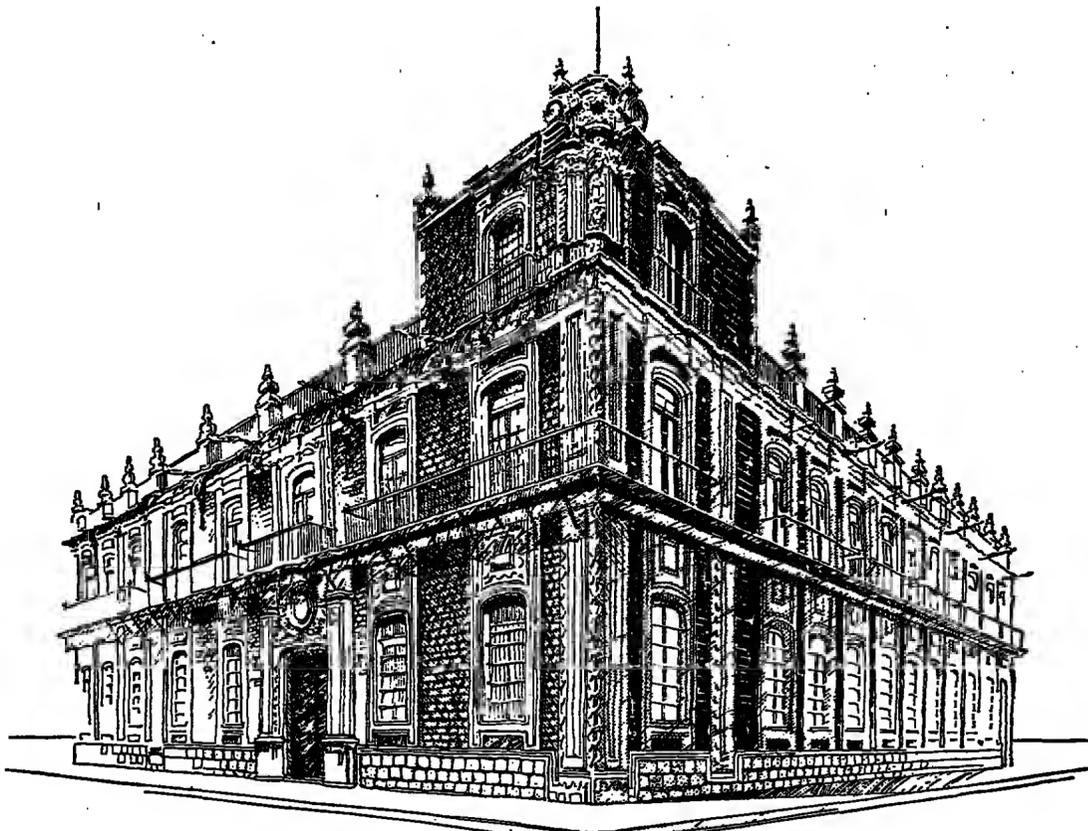
The managing director of the Bank of Bahrain and Kuwait, Mr. Ebrahim Eshaq, said: "The Government and the local banks have worked closely together to ensure that sanity prevails."

But free competition, he said, was the basis of a free economy.

In some quarters it is believed that the level of over-subscription will not rise above 300 times, partly because of the 5 per cent cash requirement, and partly because of the realisation that only investors with enough cash available to avoid the cost of borrowing could hope to make any money out of a heavy staging operation.

But many bankers regard this as a conservative estimate.

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1979 to 11 April 1980 the Certificates will carry an
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than from war we limbless look to
you for help.

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Association) looks after the
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Interest payable on January 11th 1980

Bankers Trust Company, London.

Weekly net asset value
on October 10, 1979
Tokyo Pacific Holdings N.V.
U.S. \$67.12



Tokyo Pacific Holdings (Seaboard) N.V.
U.S. \$48.90
Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson NV Herengracht 214,
Amsterdam.

THE PHILIPPINE INVESTMENT COMPANY S.A.

Net Asset Value as of
September 30, 1979
U.S.\$13.47

Listed Luxembourg Stock Exchange
Banque Générale du Luxembourg
Investment Bankers
Merita Pacific Securities, SA

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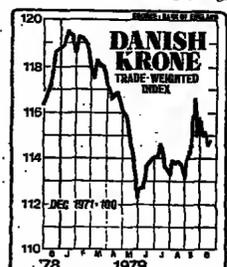
مكتبة النجم

CURRENCIES, MONEY and GOLD

Dollar weaker

The dollar fell to active trading against most major currencies yesterday, reflecting in part a shift in interest in the IMF gold auction. The U.S. currency came on offer quite early with notable sales seen coming from the Middle East. Quite soon after however it showed a steadier trend but soon came under further pressure as market uncertainty with regard to the latest dollar package asserted itself. So the dollar finished near to its lowest quotations for the day, and was seen at DM 1.7790 against the D-mark after a high

increase in prime rates was not enough in the light of present economic trends, and the Canadian dollar fell to 85.22¢ U.S. cents from 85.38¢, having touched 84.98¢ at one point. Sterling retained a firmish undertone, reflecting the recent increase in oil prices, and its trade weighted index rose to 88.3 from 85.6, having stood at 85.9 at noon and 85.8 in the morning. Against the dollar it opened at \$2.1605 and rose quite quickly to \$2.1750 before slipping back to \$2.1695. By the close however it had improved, once again to \$2.1695-2.1705, a rise of 1.45¢.



of DM 1.7915 and Tuesday's close of DM 1.7990. Similarly it weakened against the Swiss franc, although here the cross rate quotation seemed to lag behind the general market trend. The U.S. unit finished at SwFr 1.6100 compared with a high for the day of SwFr 1.6180 and Tuesday's figure of SwFr 1.6240. The Japanese yen also managed a small improvement, with the dollar at ¥235.50 compared with ¥235.85. On a Bank of England basis the dollar's trade weighted index fell to 85.0 from 85.3. The Canadian dollar was also weak, reflecting market sentiment that the latest round of

NEW YORK—Early trading saw the dollar fall initially, with most traders anticipating some Federal intervention later in the day if the dollar continued to weaken. Against the D-mark it was quoted at DM 1.7845 against its former level in Frankfurt of DM 1.7865 and a London quote of DM 1.7670. Trading was quiet as the market awaited any new development.

FRANKFURT—The dollar was fixed at DM 1.7865 yesterday, sharply weaker than Tuesday's level of DM 1.8057, and there was no intervention by the Bundesbank at that time. Trading was comparatively quiet compared with previous days and the U.S. unit seemed to stabilise at this lower level. However dealers pointed out that it was difficult at the moment to predict exactly what the dollar was likely to do in view of the uncertainty following last week's U.S. anti-inflation package. MILAN—At yesterday's fixing the dollar fell to L.825.45 from L.834.05, as interest focussed on the IMF gold auction and the rise in gold, as well as uncertainty surrounding the implications of U.S. dollar support measures. Sterling rose to L.1789.75 from L.1784.25 and the D-mark was slightly firmer at L.462.15 against L.461.75.

THE POUND SPOT AND FORWARD

Table with columns: Oct. 10, Day's spread, Close, One month, % p.a., Three months, % p.a. Rows include U.S., Canada, Netherlands, Belgium, Denmark, Ireland, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, and Swiss.

THE DOLLAR SPOT AND FORWARD

Table with columns: Oct. 10, Day's spread, Close, One month, % p.a., Three months, % p.a. Rows include UK, Ireland, Canada, Netherlands, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, and Swiss.

CURRENCY MOVEMENTS

Table with columns: Oct. 10, Bank rate, Special Rights, European Currency Unit, Oct. 10, Bank of England, Morgan Guaranty, Index, % change. Rows include Sterling, U.S. dollar, Canadian dollar, Austrian schilling, Danish krone, Deutscher mark, Swiss franc, Gulder, French franc, Yen, and New Zealand dollar.

OTHER MARKETS

Table with columns: Oct. 10, £, \$, % change, Note Rates. Rows include Argentina Peso, Australia Dollar, Brazil Cruzeiro, Finland Markka, Greek Drachma, Hong Kong Dollar, Iran Rial, Kuwait Dinar (K.D.), Luxembourg Franc, Mexican Dollar, New Zealand Dir., Saudi Arab. Riyal, Singapore Dollar, and Sth. African Rand.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU, Currency amount, % change from central bank, % change from divergence, Divergence limit %. Rows include Belgian Franc, Danish Krona, German D-Mark, French Franc, Dutch Guilder, Irish Punt, and Italian Lira.

EXCHANGE CROSS RATES

Table with columns: Oct. 10, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc. Rows include Round Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, and Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: Oct. 10, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen. Rows include Short term, 7 days notice, 1 month, 3 months, 6 months, and one year.

INTERNATIONAL MONEY MARKET

European short-term interest rates continued to advance yesterday, partly for domestic reasons, but also reflecting the sharp upward movement in U.S. rates. During the past four months London three-month interbank money has been unchanged at around 14 1/2 per cent, following the rise in Bank of England Minimum Lending Rate on June 12, but over the same period interest rates in New York, Paris and Frankfurt have risen sharply. Since the middle of June Paris three-month money has increased from 5 1/2 per cent to 12 per cent, while call money yesterday reached a new peak of 11 1/2 per cent, compared with 11 per cent on Tuesday, and 7 1/2 per cent at mid-June.

GOLD

Gold rose sharply in the London bullion market yesterday, and was quoted at the close at \$414.14, a rise of \$20, an ounce from Wednesday. However, the metal was \$10 below its best level for the day as the market remained very nervous ahead of the IMF auction. The metal opened at \$408.40 and rose basically in the absence of any selling pressure before lunch. Later in the day the metal tended to fall back as some offering took place. Nevertheless sentiment ahead of the auction remained bullish. In Paris the 12 1/2 kilo bar was fixed at FF 54,900 par kilo (\$407.25 per ounce) compared with FF 54,750 (\$406.37) in the morning, and FF 59,500 (\$385.55) on Tuesday afternoon.

UK MONEY MARKET

Moderate help. Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979). Day-to-day credit was in short supply in the London money market yesterday, but conditions were better than expected and money was in plentiful supply at the close, after the Bank of England had given moderate assistance. The authorities bought a moderate amount of Treasury bills and a small number of local authority bills from the discount houses.

LONDON MONEY RATES

Table with columns: Oct. 10, 1979, Sterling, Local Authority deposits, Finance House deposits, Company deposits, Discount, Treasury Bills, and Fine Trade Bills. Rows include Overnight, 7 days notice, 1 month, 3 months, 6 months, and one year.

MONEY RATES

Table with columns: NEW YORK, GERMANY, FRANCE, JAPAN. Rows include Prime Rate, Fed Funds, Treasury Bills, Discount Rate, and various other rates.

LOCAL AUTHORITY BILLS

Local authority and finance houses seven days notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 13 1/2 per cent, four years 13 1/2 per cent, five years 13 1/2 per cent. Bank of England Treasury bills 13 1/2-13 3/4 per cent, two-month 13 1/2-13 3/4 per cent, three-month 13 1/2-13 3/4 per cent, six-month 13 1/2-13 3/4 per cent, one-year 13 1/2-13 3/4 per cent. Finance House Base Rates by the Finance House Association 14 1/2 per cent from October 1, 1979. Clearing rates for small sums at seven days' notice 11 1/2-12 per cent. Clearing Bank rates for lending 14 per cent. Treasury Bills: Average tender rate of discount at 12.2644 per cent.

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great Italian Bank, Banco di Roma, takes this great tradition still further. To its 300 Italian branches you can add offices and agencies in every centre where the world does business. Staffed by experienced, flexible, and quick-thinking people, the Banco di Roma system can provide you with a competitive edge in this competitive world; rapid and in-depth information on market trends; syndicated loans; financing, from major projects to shorter-term cash flow problems; transfers, payments, foreign exchange, all underwritten by a 99-year track record of reliability, stability and expertise. Contact your nearest Banco di Roma office or agency and you have at your fingertips all the services you have a right to expect from a great international bank; and something that will come as a pleasant surprise: a warm, and open hearted touch of Italy.

Trade, culture, finance: the hub of them all was Renaissance Italy. With very Italian inventiveness, adaptability and vision, old methods of doing business were transformed into a more efficient and internationally valid system. The concept of modern banking had begun. Today a

Table titled 'The 1978 Balance Sheet IS thousand'. Columns: ASSETS, LIABILITIES. Rows: Cash Resources, Investment Securities, Loans, Shareholders' equity, Deposits, Net Profit.

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VONTobel EUROBOND INDICES. Table with columns: PRICE INDEX, AVERAGE YIELD. Rows: DM Bonds, HFL Bonds, U.S. \$ Bonds, Can. Dollar Bonds.

Companies and Markets

WORLD STOCK MARKETS

Early Wall St. sheers 25 in record trading

INVESTMENT DOLLAR PREMIUM... Effective \$2.1700 10% (12%)... THE STOCK MARKET continued to suffer one of its worst poundings in history...

They also said investors were selling stocks purchased on margin because of the sudden rise in interest rates... AMERICAN STOCK EXCHANGE prices were also hit hard...

record of 34.06m traded on August 3 last year... The Dow Jones Industrial Average was down 25 points early on, its low point of the session...

The economic outlook has deteriorated, analysts said, because of Federal Reserve moves to stem inflation which are expected to cause a credit crunch...

Canada Share prices closed easier in line with Tuesday's sharp decline in the Dow Jones index...

Germany Share prices closed easier in line with Tuesday's sharp decline in the Dow Jones index...

Hong Kong The sharp fall in the Wall Street market overnight led to early selling which persisted throughout the day...

Switzerland The Wall Street retreat dragged prices of Swiss stocks lower on the Zurich Stock Exchange yesterday...

Milan The market closed weak in moderately active trading after an interruption for half an hour by bomb-scare...

Amsterdam Share prices closed weaker in line with Wall Street. Royal Dutch and Unilever were flat...

Brussels Belgian share prices were mostly lower in lively trading. Reserve and Vieille Montagne rose...

DM 3.10, Demag DM 2, Daimler DM 4.50, VW 2 and BMW DM 10.00... In options trading prices were unchanged in lower turnover...

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DM 3.10, Demag DM 2, Daimler DM 4.50, VW 2 and BMW DM 10.00... In options trading prices were unchanged in lower turnover...

hold steady at HK\$12.20 but dealers reported a quiet market in the stock... Tokyo The stock market was closed yesterday because of a public holiday—the Health and Sports Day...

Johannesburg The stock market was closed yesterday because of a public holiday—Kruger Day... Milan The market closed weak in moderately active trading after an interruption for half an hour by bomb-scare...

Amsterdam Share prices closed weaker in line with Wall Street. Royal Dutch and Unilever were flat... Brussels Belgian share prices were mostly lower in lively trading...

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Indices

NEW YORK—DOW JONES

Table with columns: Index, Oct 9, Oct 10, High, Low, % Change. Includes Industrial, Transp., Utilities, and Total.

STANDARD AND POORS

Table with columns: Index, Oct 9, Oct 10, High, Low, % Change. Includes Industrial, Composite, and P/E Ratio.

MONTECARLO

Table with columns: Index, Oct 9, Oct 10, High, Low, % Change. Includes Industrial, Composite, and P/E Ratio.

JOHANNESBURG

Table with columns: Index, Oct 9, Oct 10, High, Low, % Change. Includes Industrial, Composite, and P/E Ratio.

TUESDAY'S ACTIVE STOCKS

Table with columns: Stock Name, Price, % Change. Lists various international stocks.

OSLO

Table with columns: Stock Name, Price, % Change. Lists Norwegian stocks.

JOHANNESBURG

Table with columns: Stock Name, Price, % Change. Lists South African stocks.

PARIS

Table with columns: Stock Name, Price, % Change. Lists French stocks.

SWITZERLAND

Table with columns: Stock Name, Price, % Change. Lists Swiss stocks.

EUROPEAN EXCHANGE

Table with columns: Stock Name, Vol., Last, % Change. Lists European exchange rates.

BASE LENDING RATES

Table with columns: Bank Name, Rate, % Change. Lists base lending rates for various banks.

AMSTERDAM

Table with columns: Stock Name, Price, % Change. Lists Amsterdam stock prices.

COPENHAGEN

Table with columns: Stock Name, Price, % Change. Lists Copenhagen stock prices.

MILAN

Table with columns: Stock Name, Price, % Change. Lists Milan stock prices.

VIENNA

Table with columns: Stock Name, Price, % Change. Lists Vienna stock prices.

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FINANCIAL TIMES SURVEY

Thursday October 11 1979

ALUMINIUM

Demand for aluminium in the world markets is very strong, but the industry's annual growth rate is expected to slacken for the foreseeable future from the 8 per cent at which it used to run. The increasingly high cost of power is forcing the producers to search hard for new plant sites and for a smelting method which does not demand the huge input of power that the standard process requires.

Shortage likely in the 1980s

By Roy Hodson

ENERGY ACCOUNTS for between 40 per cent and 50 per cent of the total cost of aluminium ingot production. That basic fact is going to force radical changes upon the world aluminium industry during the next five years.

Although the major aluminium companies are stepping up their research as power prices soar, the reports being submitted to boardrooms are not encouraging. Researchers are not hopeful of developing an alternative aluminium production process significantly more economical in power usage in under 20 years. So companies are resigned to making forward plans on the basis of installing new smelters based on the standard Hall-Heroult process well into the 1990s.

Each new smelter built will achieve some energy savings per pound of metal produced. The introduction of better techniques and equipment can ensure such savings at the margin. But the industry accepts that it is stuck with a power-hungry process for the time being.

Advanced work on one new smelting technique is being done by Alcoa of the United States which claims that its experimental process, shortly to move to the pilot plant stage, will achieve a 20 per cent power saving. But other companies do not believe that the Alcoa method will supersede the Hall-Heroult process generally.

As work proceeds at a feverish pace in many well-equipped aluminium research centres round the world the big prize of a new and economical way of making aluminium without a huge energy input still eludes the industry.

During the next five years the high cost of power will force the producers to take action on two broad fronts. They will have to switch production to new cheap power sources round the world as best they can within the constraints of (1) capital being available; (2) governments being willing hosts; and (3) there being an acceptable level of political stability in the countries chosen for new production.

The producers will attempt a high wire act at the "down-

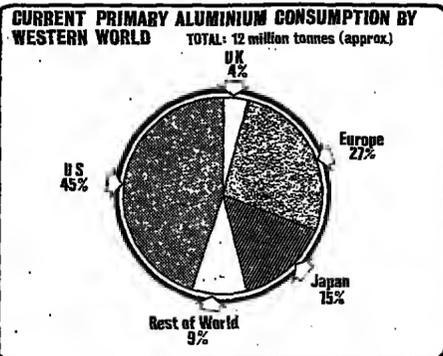
stream" end of the aluminium business by encouraging prices to rise so as to accurately reflect the cost of making the metal while at the same time continuing to strive for world market growth.

Aluminium is such an attractive material—half the weight of steel and non-rusting—that growth will continue even during an era of frequent price increases. The industry is prepared to lose some markets where the metal until now has been chosen for its cheapness rather than its special qualities. But so far there has been little evidence of that happening.

Opinion

The big producers are now in general agreement that the growth rate for aluminium will be about 4 to 6 per cent a year during the next 10 years. World production this year is 15.5m tonnes. It will be in the region of 28m tonnes by the late 1980s.

Historically, aluminium has enjoyed a fast ride with annual growth rates of around 8 per cent. It has often been penetrating markets at twice the rate of the growth in the world's industrial economy. Those days are now over. A consensus of opinion in the industry is that future growth rates of aluminium are likely to subside gently until usage of the metal is roughly keeping pace with world economic growth.



Demand is currently very strong in world markets while prices have been improving throughout the year and company profits rising at the same time.

Stocks of aluminium held by the producers are at their lowest levels for many years. That situation has been brought about partly by the three months' strike at the Alcan smelters in Quebec Province Canada.

Three smelters including Arvida—the biggest smelting complex in the Western world—were shut down from June to

the beginning of September. Optimum production will not be achieved until November and the total loss of metal probably will be about 200,000 tonnes.

The Quebec smelters' strike—the biggest industrial trouble to hit a producer recently—is a remarkable illustration of how highly integrated is the world aluminium industry. The lack of the Canadian metal has been felt worldwide.

Nevertheless, the demand for aluminium is so strong and prices so buoyant that Mr. David Culver, president and chief executive officer of Alcan

Aluminium, expects his company to make more money in 1979 than in 1978.

An aluminium smelter takes several years to design and build. The industry's plans now in the pipeline for new capacity will result in a growth rate of less than 3 per cent a year in total smelter capacity in the next five years.

The significance of that figure is that it presages an almost certain period of aluminium shortages during the 1980s. The industry held back on investment during the 1970s because aluminium prices were low. A new round of investment is now starting but it cannot be translated into actual production quickly enough to avoid that looming temporary shortage. And inevitably any shortage of metal would result in the price of aluminium to consumers being forced up further by the law of supply and demand.

The situation has been aggravated by the joint decision of the Japanese Government and that country's aluminium industry, to face up to Japan's high energy costs by shutting 500,000 tonnes of aluminium smelting capacity. As energy costs are continuing to rise few people in the industry believe that capacity will ever work again. Thus Japan, almost overnight, has become a net importer of 800,000 tonnes of aluminium a year from the smelters of other nations.

The industry is confident that

it can overcome a temporary shortage of metal. Major expansion in Australia and Canada, discussed in detail in the following article, will play a key part in bringing production and consumption back into balance by the mid-1980s. There is also considerable potential for further smelter development linked to comparatively cheap power in developing nations such as India and Brazil.

Compare

But it is doubtful whether more than minor developments in aluminium production will be seen in Europe during the 1980s. A senior executive in one international company asked about the chances of his company developing its British smelter capacity, replied: "Who wants to invest in a hard currency area?" And that is how Britain and the Western Continental nations now look to the aluminium companies. Production costs, including relatively high power costs in those countries, compare badly with those for the new projects the companies have on their drawing boards in other parts of the world.

British Aluminium is in a special position with access to its own cheap hydro-electric power in the Scottish Highlands. It has just opted to maximise use of that resource by rebuilding its Fort William smelter at

a cost of £35m and, in the process, raising production by 9,000 tonnes a year to 37,000 tonnes a year. But this power source is strictly limited and British Aluminium will not be able to squeeze out more production in the future than that now planned.

There is a growing emphasis among the majors of the world aluminium industry on fabricating and marketing. Several companies have seen their profits rise recently in a most satisfactory fashion as a result of new investment in fabrication plant, new styles of finishing sheet metal and extrusions, and greater attention to sales.

The North American construction industry, for instance, now fully accepts such sophisticated materials as embossed and factory-painted aluminium sheet for walls and interiors. Yet that is a product still hardly exploited in the rest of the world. Sales growth could be meteoric when company salesmen begin to spread the word outside North America.

During the next year the industry should be in the comfortable position of seeing both prices and demand rising. Profits are likely to be sustained at higher levels than the industry used to accept during its earlier years of over-capacity.

The aluminium industry has realised that life is better in a seller's market.

Why 90% or more of the world's most valuable aluminium sometimes ends up on the shop floor

We start with a four ton slab of aluminium alloyed with zinc, magnesium and copper.

It's twice the height of a man, and more.

We roll it, over and over again, along and across, until it is inches thick.

We heat treat it, then stretch it, to remove internal stresses.

We scan it, ultrasonically, every inch of every plate, to confirm its integrity.

We check its fracture toughness, its resistance to stress corrosion and fatigue life.

Then aircraft wing builders mill most of it away.

This way, wing ribs, spar sections and skin are all of a piece, stronger than the fabricated equivalent.

They can take the shock pressures of a supersonic fighter turning 'on a button.'

They endure the stress of vibration under severe pressure for hours at a time, thousands and thousands of times.



They are the foundation for new generations of aircraft which will fly more economically, more profitably, more effectively than ever before.

And the Alcan technology involved is to be supported by a £10,000,000 investment by the company to expand both capacity and the range of finished plate dimensions.

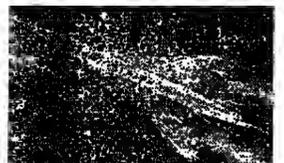
At Banbury, Europe's largest aluminium R&D labs are exploring and developing new properties and functions for this incomparably talented metal.

No metal, now or in the future, is more important than aluminium.

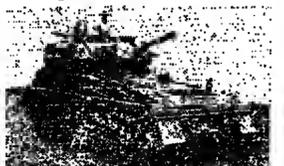
And nobody knows that better than Alcan.



Alcan plate contributes enormously to the performance and operating economies of the highly successful multi-national Airbus A300B4.



Used extensively in the making of Concorde's wings, Alcan plate retains its strength amid the temperatures and pressures of flight at speeds exceeding Mach 11.



Alcan rolled aluminium plate armours the Scorpion combat vehicle (and makes it light enough to be transportable by helicopter— itself built largely of aluminium).



Alcan Aluminium (UK) Limited, Alcan House, 30 Berkeley Square, London W1X 6DP.

Now in Europe: Alcoa forged aluminium truck wheels.

The lightweight wheels for improved payload and fuel economy.

Precision-built Alcoa aluminium truck wheels have been performance-proven over more than 1000 million kilometers of demanding highway driving in the United States. Now they're available in Europe. For use with tubeless tyres, these one-piece, forged wheels are especially well-suited to the needs of European truck owners and operators. They're designed and manufactured to help reduce operating costs, while offering increased profit potential.

Increased payload: Alcoa wheels can save up to 23 kg per wheel over comparable steel wheels. This adds up to 138 kg of additional payload for a 6-wheel truck; 322 kg for a 14-wheel tractor-trailer combination. And you benefit from these weight savings, trip after trip.

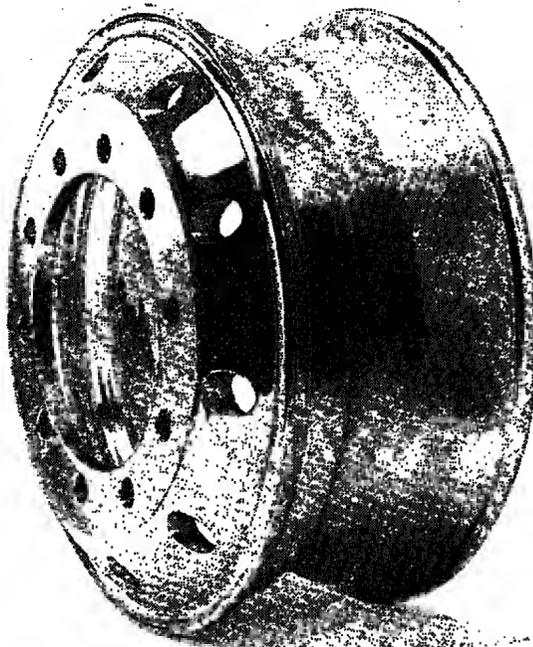
Fuel economies: Saving weight in a vehicle can mean savings in fuel costs. And for fleets that run fully loaded, increasing payload can mean fewer trips, for reductions in fuel and operating costs.

Improved handling: Good-looking Alcoa wheels are completely surface machined to micron tolerances for dimensional accuracy and roundness. A true-running wheel and tyre assembly helps assure longer tyre life. A smooth running vehicle can offer improved handling with fewer front-end maintenance problems. These are some of the many reasons why fleets and operators select Alcoa forged aluminium disc wheels. They can add up to one of the soundest investments in equipment you can make. For more information, ask your truck supplier, or write:

Alcoa International, Inc.
61, avenue d'Ouchy
1006 Lausanne, Switzerland

Alcoa. World leader in aluminium and aluminium forgings. Alcoa is one of the world's leading producers of aluminium and strong aluminium forgings. The company has more than 52 operating locations around the globe, including 16 plants and metal distribution centers in Europe. Alcoa forges the wheels used

on many of the world's commercial and military aircraft. Alcoa one-piece forged aluminium truck wheels are another example of the company's continuing efforts to create new products, improve existing ones and discover ever-better ways of making aluminium serve the needs of the transportation industry.



Change for the better with
Alcoa aluminium truck wheels.



ALUMINIUM II

World's producers look to Australia

World's producers are turning their eyes to Australia, with something of a gold rush. The development of large-scale aluminium production in Australia is currently the industry's hope of making good profits in an increasingly uncertain market.

Australia's rich bauxite resources, amounting to 30 per cent of the world's proven reserves, offer a rare natural gas and ber relative stability, offer the aluminium industry a rare chance to engage in large-scale expansion in the 1980s and 1990s.

The new aluminium industry about to be created in Australia will be the dominant factor in all of the industry's calculations for equating supply with demand over the next 20 years.

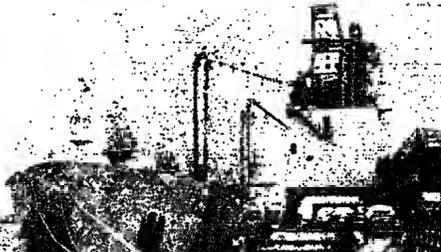
During the last six months aluminium producers in Japan, the U.S. and Canada have announced plans to build up to six new plants in Australia and to expand two existing smelters. Developments will raise aluminium ingot production from the present level of 300,000 tonnes a year to 1.2m tonnes a year by 1985. It is estimated that the aluminium exports from Australia will be worth about \$1.5bn a year.

The companies behind the Australian boom are such big names as Alcan, Kaiser, Alcoa, Nippon Steel, and Reynolds.

The presence of abundant bauxite in Australia is welcome to the companies. But the overriding reason for their interest is that country's abundant hydro resources.

The cost of electricity generated from the coal deposits in Australia's eastern states is only about one-third of the current price in the U.S. Present plans envisage the installation of about 9,000 megawatts of thermal power station capacity at a cost of more than £2.5bn to supply the smelters.

Comalco, the Australian aluminium group, is joined with Kaiser and a Japanese consortium to build a smelter with an eventual capacity of more than 200,000 tonnes a year. Production should start by



Unloading alumina at Holyhead for Anglesey Aluminium's smelter, jointly owned by Kaiser Alumina and Rio Tinto-Zinc. Kaiser is among the companies interested in Australia's cheap power

1982. Alcan, which is already extending its existing Australian smelter to an eventual 90,000 tonnes a year, is now working on a study for a 300,000 tonnes smelter project in Queensland which would be built solely to supply export markets.

The need is pressing in the Far East for new capacity since the Japanese have been forced by the high cost of their imported energy to close 500,000 tonnes of their own aluminium smelting. Australia's markets for the metal are likely to be mainly Japan and South East Asia. But some will find its way to the U.S. and Europe.

Apart from Australia, the world's aluminium industry sees its best hopes for future expansion as lying in Canada, Brazil and Norway; three countries where further supplies of hydro-electric power can be made available.

Ambitious

Alcan has ambitious plans to increase its Canadian production of the metal. The Saguenay area of Quebec has always been Alcan's sheet metal anchor. The remaining hydro-power available to the group in that region will be used to power the new Grande Baie smelter near the old Arvida smelter. The first metal will come from Grande Baie at the end of 1980 and eventually the smelter should provide an extra 170,000 tonnes a year, mostly for the North American market.

Alcan is also looking again at the hydro potential of its water concessions in British Columbia. By building a new hydro-electric station alongside the existing station at Kemano up to 1,000 megawatts of cheap power could be obtained for a new smelter which would be built at Kittimat.

Further south in the North West region of the United

States, time is not on the side of the big aluminium industry based there. The Bonneville power authorities are increasingly reluctant to continue supplying large quantities of power at low prices for smelting.

Power costs are also the main barrier to the development of new greenfield smelters in Europe. With the ruling European prices for new tranches of power up to four times greater than the world's low-cost power sources the aluminium companies do not find Europe attractive.

The three British smelters at Anglesey, Lynemouth, and Invergordon, could each be expanded at relatively low capital cost to provide the extra 100,000 tonnes a year or thereabouts that Britain would need to become self-sufficient in metal. But the extensions could not be run profitably without further supplies of cheap power to supplement the existing arrangements for the provision of coal and electricity.

The Government, the National Coal Board, and the electricity authorities of England and Wales and Scotland show no enthusiasm for entering into any such arrangements.

Aluminium smelting capacity is the Western industry's bottleneck and is likely to remain so for some time to come. In the supply of bauxite and its conversion into alumina (the feedstock for the smelters) the industry is much better placed worldwide.

Vast deposits of bauxite are already being worked and new sources are being exploited. In Australia the world's biggest alumina plant is being operated to supply bauxite to the growing Australian industry and to export to all parts of the world. More than 3bn tonnes of

bauxite of very high quality have just been tapped in Brazil with the development of a bauxite mining and shipping township on the Trombetas river, an Amazon tributary. Trombetas will eventually supply about 10m tonnes a year to world markets if all projects there go ahead. A new smelter may be built on the spot fed by Amazon hydro-power.

In Eire an International consortium is building an alumina plant which will serve Europe and other markets.

A senior executive in the industry remarked recently: "The trick in aluminium is to have a mix of mature capacity and young capacity." The biggest companies are planning with that goal in mind with more coherence than ever before in the history of the industry.

However, the world smelter projects announced will not be sufficient to avoid shortages of aluminium during the 1980s during periods of brisk demand. The traditional situation of there being a permanent oversupply of the metal now seems to have gone for ever.

The best hope of maintaining the industry in profit while continuing to supply customers adequately and at reasonable prices competitive with other materials lies in two policies. First the industry must continue to scour the world for the cheapest possible power for its energy intensive process, while using every technological means possible to reduce power consumption. Second, efforts must be redoubled to improve the recovery and recycling of the metal so that the power locked in it will not be simply thrown away after being used once.

America has set the pace with its success in recycling the aluminium beverage can. But the remainder of the world still uses aluminium in a prodigious fashion. Most of it is thrown away after its initial use. The growth of aluminium foil packaging and containers is not helping. No widespread system to recover it yet exists.

Aluminium will become more expensive year by year because, inexorably, power costs will rise. The industry will have to continue to adapt to changing circumstances.

The closing of one-third of Japan's aluminium capacity because it was simply too expensive to run has rung warning bells. There are fears in the industry that Western Europe could go the same way because of high power costs.

Roy Hodson

British suppliers under variety of pressures

THE FIRST increase in primary aluminium capacity in the UK since the three major smelters were completed in the early 1970s will occur shortly, following the decision by British Aluminium to upgrade one of its older and smaller works at Lochaber in the western highlands of Scotland.

The expansion from 29,000 tonnes to 37,000 tonnes per annum is by world standards fairly insignificant and when the scheme is finished in 1981 the UK will still be dependent on imports for about one-quarter of its total aluminium requirement.

However, the scheme is important to British Aluminium for two main reasons. With the recession of the past few years delaying the creation of new facilities around the world, aluminium supplies are once again beginning to become short, and this is currently being reflected in higher prices, a reduction of stocks and higher capacity working by all the main producers.

The shortages are expected to continue throughout the early 1980s even if pressure over the next 12 months is relieved by a downturn in the U.S. economy. Even more important, British Aluminium's investment will create production at lower cost. New pot lines are to be built at Lochaber at a cost of £35m but the company will be using its existing hydro-electric power source. The labour force is also to be reduced from 520 to 337 so that in both energy and labour cost per tonne of aluminium, greater efficiency will be secured.

The Lochaber project is the biggest development currently under way in the UK aluminium industry and, realistically, looks likely to be the only expansion of primary capacity undertaken in the foreseeable future. Discussions have been held with successive governments by Alcan, British Aluminium and Kaiser to see if support would be given for extensions to the three big UK smelters, each of about 100,000 tonnes, at Lynemouth, Invergordon and Holyhead.

The smelters were built originally with backing from the Labour government of 1964-70, which negotiated very generous electricity supply contracts. The last Labour government was reluctant to enter into any new arrangement along these lines and it seems very unlikely that the present government, with its tough attitude to subsidies, will be any more sympathetic.

As a result any major expansion of UK capacity probably will have to wait until higher aluminium prices justify it. Limited as it is, however, the Lochaber scheme represents the biggest investment project considered by British Aluminium since it became wholly UK-owned again last year following the sale by Reynolds Metals of the U.S. of its 50 per cent stake—and against the current background of industrial uncertainty in the UK it represents a substantial act of faith.

Recovery

This year is one in which the industry has been hoping to make a substantial recovery from a relatively poor performance in 1978, with stronger demand, a hardening of prices, and—in the case of a number of big groups—extensive rationalisation; all intended to bring their reward in the form of more satisfactory profit levels.

In the event results for the first six months have been affected by transport problems in January and February. Alcan, one of the main suppliers to the UK market of semi-fabricated products—aluminium sheet and extrusions—managed a profit of only £3.6m in the first six months of 1979 on sales of £149.3m and British Aluminium also saw a reduction in its first-half profits from £12.63m to £11.05m.

Results in the second half were expected to show some improvement but they will in turn be affected by the impact of the engineers' series of two-day strikes which have hit the aluminium industry's customers and some of the plants operated by the big aluminium groups themselves.

Industrial relations are only one of the problems which have confronted the industry this year. Like all other sectors, aluminium has been hit by the accelerating inflation rate and the strong pound, which has had the effect of depressing export trade and stimulating imports.

The industry has responded to these pressures in two ways. Investment aimed at modernising older production facilities has been stepped up at some plants to reduce labour costs. The industry also has been seeking to make more specialised products, which are less sensitive to price competition.

At the same time the relatively small size of the UK market and its slow rate of growth has meant that much of the investment over recent years has been directed towards meeting the needs of the wider European market.

Therefore through Alcoa, the world's biggest aluminium group, the UK has a major stake in the production of aluminium sheet for the manufacture of two-piece beverage cans. Alcoa's plant near Swansea is a major exporter of this specialised sheet to Europe and demand for the product is expected to continue to grow fast in both Britain and Europe.

With the European Airbus helping Europe to achieve a major position in world aviation markets there is now also greatly increased demand in Europe for sheet for the aviation industry, one of the main users of aluminium. British Aluminium is proposing to more than double its production of aerospace alloys in the coming year to achieve for itself a leading position as a supplier of these materials.

The company is raising output of the alloys—many of them worth more than £2,000 a tonne—from 3,000 to 7,000 tonnes a year at its Falkirk plant in Scotland. The group is also considering further investment to increase output of aerospace tubes, extrusions and castings.

Various other acquisitions have been made by British Aluminium in the foil and ex-

trusions field, two other areas of strength within the group. These moves will increase inter-group use of primary aluminium to more than 70 per cent.

Alcan is planning a big re-equipment of its Kits Green plant in Birmingham to increase output of high technology plate for the aircraft, defence and engineering industry. The company will be installing a new horizontal heat-treatment furnace for completion in 1981 at a cost of £10m and further investment is being studied. Extensive rationalisation of its semi-fabricating facilities, at other locations has also been undertaken.

The industry's overall performance next year will depend again on a combination of internal and external factors. There have been some signs that imports of semi-fabricated products—which in some product areas have been running as high as 40 per cent—have been falling back as a result of increased demand on the Continent. At the same time if the American economy sinks back to any extent this will have an effect on European markets.

The progress of the UK economy remains the main imperatative. The aluminium industry will be affected by any permanent damage resulting from the engineering stoppages, which have already opened up new markets for importers of a variety of products from domestic appliances to vehicles.

The motor industry, which in other countries represents a strongly-growing market for lightweight aluminium products because of the search for greater fuel efficiency, seems unlikely to have ended this long period of decline in the UK. The proposed new £25m aluminium foundry which BL was to build at Leeds has been one of the victims of the company's latest review of its operations.

The UK industry has been trying however to lessen its dependence on the British market. The next few years will show how successful this strategy has been.

Rhys David

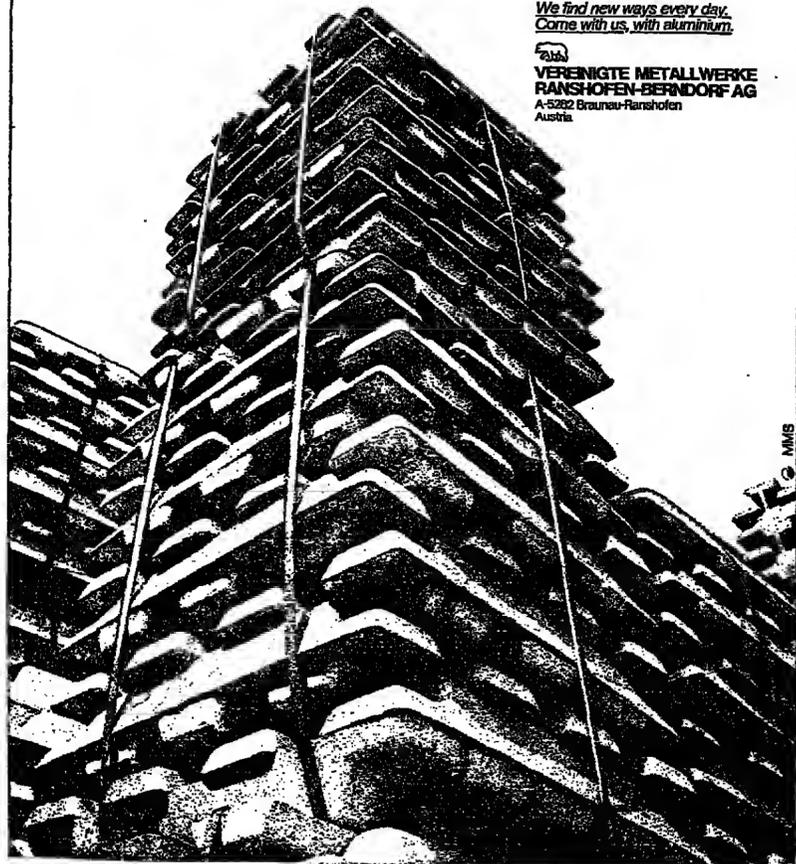
Everything's right with aluminium

It is, therefore, very easy to understand why the fields in which this versatile material is used are being constantly extended. Rolled aluminium products such as strip, sheet, plate and discs are used today in the construction of apparatus, machinery and containers. Extruded aluminium products such as, for example, sections, tubes, rods and wire are used to build doors and windows, bodies of commercial vehicles, crash barriers, or bridge railings.

The low specific gravity, the high strength of the alloys, resistance to weather and chemicals, excellent chemical and thermal conductivity, good ability to reflect heat and light, can be manufactured anywhere. And that beautiful silver-white gleam.

We find new ways every day. Come with us, with aluminium.

VEREINIGTE METALLWERKE
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A-5292 Braunau-Ranshofen
Austria



ALUMINIUM III

Brisk demand for products

ALTHOUGH THE aluminium companies tend to be cautious about growth forecasts for the next six to 12 months because of economic recession in North America and other areas, their salesmen in the field are showing no such inhibitions.

They are reporting back to headquarters brisk current demand for aluminium in many industries and for many uses, together with optimistic market forecasts for at least a year ahead.

In Britain, dispatches of extruded aluminium sections—a major growth market—totalled nearly 75,000 tonnes in the first seven months of this year, compared with 58,000 tonnes in the same period last year.

Behind these figures lies a story of fast growth in the use of aluminium for windows, patio doors, front doors, shower cabins, and many other aspects of home improvement. The transport industry has also taken significantly higher tonnages although the motor car industry is depressed. Aluminium is now the first choice for truck and van bodies, many containers, railway carriages, and other transport uses where the weight saving to save expensive fuel is important.

Campaign

To stimulate the already brisk demand further, the Aluminium Extruders Association in Britain is promoting a Think Aluminium campaign. It is using stick-on reminder labels on literature and advertising and hopes to extend this into marketing products to remind the user that the material is aluminium.

The association has also just completed a survey into attitudes in engineering towards the use of aluminium. It shows that about 55 per cent of the companies surveyed used aluminium extrusions last year, compared with 48 per cent in 1977.

The most encouraging feature of the association's survey from the point of view of the fabrication end of the British aluminium industry is that a majority of companies anticipate using more aluminium during the coming year. Some expect their increase to be more than 10 per cent. Another important trend is that half of all current users of aluminium extrusions in Britain are considering new products which also will involve the metal.

Another important development in Britain recently has been the decision by two major producers—British Aluminium and Alcan—to double their production capacities for making aircraft-quality aluminium material. The European aerospace industry is booming, with more orders than for many years past, and the two companies are seeking a dominant position in the supply of the metal.

Traditionally, the North American aluminium companies have provided a big proportion of the aircraft metal used in Europe. British Aluminium is concentrating on expanding aircraft sheet and Alcan is developing its production of aircraft plate.

No country can be said to be typical in its aluminium requirements. Demand for the metal tends to be tailored to the particular pattern of industrial progress of individual nations.

But certain broad trends are discernible. The major growth will be in the car industry, the wider transport industries, construction including interior fittings and decoration, beverages and food cans, foil and packaging, and the electrical industry for cables and fittings.

The big question mark hanging over the industry internationally is whether the Detroit car industry will adopt aluminium engine heads and blocks. Some observers say it is a question of "when" not "if" in view of the difficulties being faced by the companies in achieving the new fuel consumption standards laid down by the U.S. government and due to come into force progressively during the next five years.

Japan and France have set the pace with aluminium engines and the other European manufacturers are now rapidly falling into line. But the U.S. manufacturers with their large-capacity engines have been cautious up to now. There were one or two conspicuous failures with aluminium in the past in the American car market and no company is anxious to repeat the experience.

It is likely that the first mass production aluminium engines will be on the U.S. market early in the 1980s. If the car makers all opt for aluminium within a short space of time, however, there could well be problems in supplying them with the huge quantities of metal they will need.

can is at an interest stage in its development. It has done extremely well in the U.S., pushed hard by Reynolds Aluminium with a recycling programme designed to encourage universal collection of the used cans.

In Denver, Colorado, the makers of Koor beer achieve a remarkable 70 per cent return rate on their aluminium cans. The average return rate across the U.S. is about 30 per cent.

However, the recyclable can has yet to make serious inroads into the canned food and beverage market in the rest of the world. The aluminium companies are expecting a steady swing towards its use. But some formidable competition from tinplate has first to be overcome in Europe.

Alcoa is already making the expensive can end material for Britain and Europe in its South Wales factory and the other aluminium suppliers are eager to sell can body sheet. The big makers of cans are equipping themselves wherever possible to handle either aluminium or tinplate.

In the short term the growth of aluminium as a material for consumer products will be influenced here and there by the aluminium industry's new, harder attitudes towards prices. "For too many years we went for growth and neglected profits," said one aluminium company chairman recently.

The industry considers that it has now extricated itself from that trap and does not intend to fall into it again. In any case

if world energy prices continue to rise, as appears likely, aluminium prices must pursue a steady upwards course.

"We may alienate a few customers. If so that is bargained for," said the chairman. "But we must maintain our present strategy of avoiding over-capacity and keeping our prices at a high enough level to show us a proper return upon capital. It is vital for the future of our industry that we act in that responsible fashion."

To pursue that policy the big companies are prepared to shed markets if manufacturers and other users find cheaper alternative materials. For instance, plastic sheeting is expected to become a fierce competitor to aluminium sheeting for building

construction in the U.S.

While 80 per cent of the metal produced is fabricated by the integrated aluminium companies themselves to be sold in various finished forms there are interesting markets for the remaining 20 per cent of the metal.

China has grandiose plans for developing hydro-electric power and building a chain of aluminium smelters. But actual production on a large scale must be many years ahead. Meanwhile, China's demand for aluminium is growing by the day. China is now one of the world's main destinations for aluminium ingot from the Western world's smelters.

Roy Hodson

portance of the Metal Exchange market is naturally not shared by member companies of the Exchange. After the initial optimism it is admitted that the market has not exactly caught fire and there is likely to be a long haul before it is properly established. Trading on the market is currently confined to a relatively few dealers and turnover is steady rather than spectacular. However, according to Metal Exchange dealers, this is just as it should be. The market needs time to settle down, iron out the quirks and practical day-to-day problems, and find its rightful role in the industry.

The market cleared its first major hurdle in January this year when trading in cash, or spot, supplies started after the initial introductory period, only to dealing in aluminium for delivery in three months time. The fear was that the overall shortage of aluminium would "starve" the Exchange of supplies and the cash price would be distorted to unrealistic levels by an artificial technical scarcity. This was avoided partly because the Exchange reduced the quality of aluminium deliverable to the low-grade 99.5 per cent grade level against the normal 99.7 per cent normally traded. The decision to downgrade the quality of the contract attracted some hostility from merchants, who claimed that it made the LME price even more unrealistic.

It is also claimed that LME aluminium prices are grossly distorted on occasions by non-trade influences, i.e. speculators. Consumers, in particular, depending on free market aluminium supplies, were incensed by LME prices being driven to well above the producer price level of speculative buying, leaving them at a distinct disadvantage.

Nevertheless although there are still many problems to be sorted out, the Metal Exchange remains confident that the aluminium futures contract will be a winner in the years ahead.

This confidence is based on two main planks. One is that the Western world producers, who currently dominate aluminium pricing internationally, will lose their grip as new production comes in without the same allegiance to the producer price system. It is pointed out that even now international pricing of aluminium is a shambles. The export prices quoted by the leading North American producers are no longer relevant in many markets, including the UK, where domestic and national considerations are more important influences. Even in the U.S. prices have been distorted by producers trying to comply with

the guidelines set by the Carter Administration. These distortions are likely to spread in future years, with the movement of aluminium production away from North America to countries where the "host" government may well have its own ideas on marketing and prices.

At the moment, too, the fluctuations in exchange rates makes it virtually impossible for producers to establish an international price, based on the dollar. Much better, says the Exchange, to have a central pricing medium where all influences—trade, political and economic—come together openly to decide a fair price; that is what the buyer is prepared to pay. North American copper producers for a long time strongly resisted the Metal Exchange, but last year the biggest and most hostile opponent, Kennecott, gave in and switched from producer pricing to a free-market quotation. Kennecott were forced to make this change when they found that the inflexible producer price system was undermining their sales in competition with lower-priced free market copper.

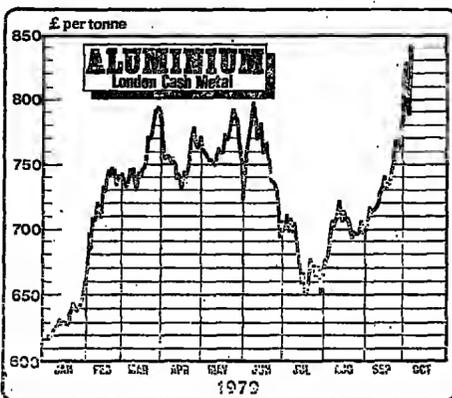
For the moment there is little danger of this happening with aluminium. Supplies are scarce at present, and producers predict that this situation could last for some time yet, with the high cost of expanding output providing a distinct deterrent. The new philosophy is to raise prices rather than sales, and producers claim that any surplus will be contained by cutbacks in output instead of price reductions. But this is easier said than done, requiring a considerable degree of co-operation among competitors fighting for the same customers, and aluminium producers have a dismal record of forecasting price trends in the past. When a more competitive market situation does emerge some time in the future, the Metal Exchange is confident that there will be another Kennecott among the aluminium producers, who will want to protect themselves.

That is when the LME market could well come into its own. The Exchange offers a unique service in transferring the costs of carrying surplus stocks to speculators and financial institutions. But it is recognised that it could be many years before this kind of situation develops.

Meanwhile, however, the Exchange is reasonably content to tick over, gradually building up support while waiting for free market forces to triumph over the producer price system.

John Edwards

Futures market wins smug acceptance



THE FIRST aluminium futures market in the world was launched by the London Metal Exchange just over a year ago amid a flurry of protests from aluminium producers and forecasts that it could change the whole pricing structure of the industry. Producers, backed by some leading consumers, claimed the new market would undermine future investment and lead to unemployment, while metal merchants on the Exchange gleefully anticipated a flow of new business and commissions.

A year later there is a very different attitude. Producers now take a dispassionate view. Forgotten are the predictions of gloom and doom used to fight the introduction of the market. Somewhat shamefacedly, but smugly, it is claimed that the market has made virtually no impact. "Prices on the Exchange make a good alternative to talking about the weather, but

that's about all," according to a spokesman for one of the leading producers. He added that they saw no threat from Metal Exchange prices, which only represented trading in the small residual "free" market not controlled by the major producers. Estimates of the size of the aluminium "free" market vary, but it is certainly not more than 10 per cent of total sales and at the moment very much less.

View

The free market represents trading by metal merchants of aluminium obtained either from Communist bloc countries or other small producers, or surplus supplies disposed of by consumers. At the moment, for example, the Metal Exchange warehouse stocks are said to consist mainly of rather low-grade Egyptian aluminium. This lofty view of the unim-

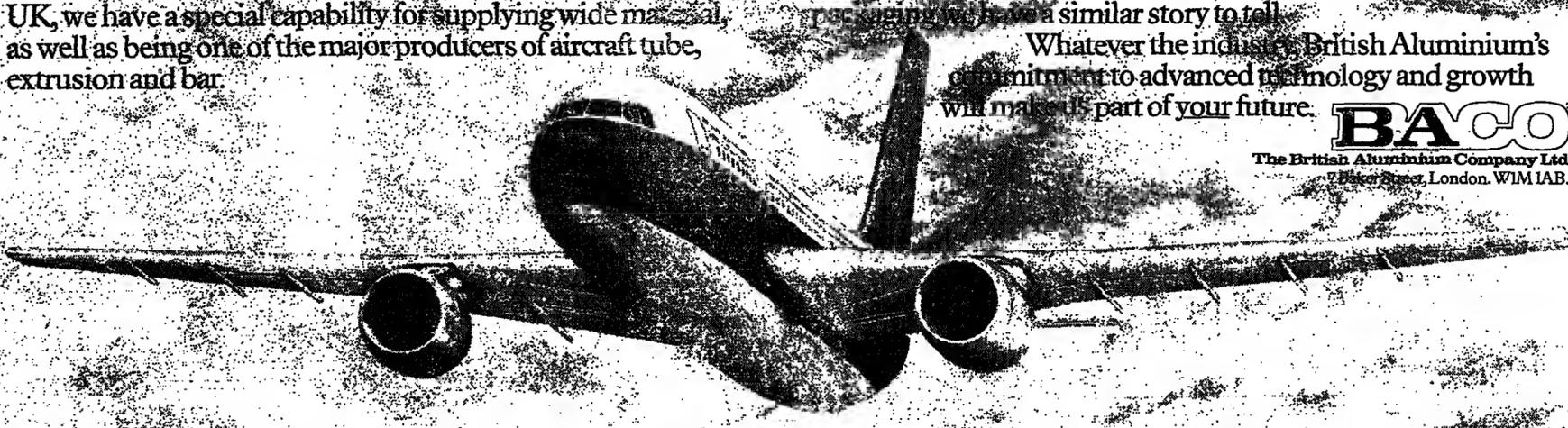
British Aluminium is flying high.
 Take our involvement in aerospace for instance. Following a recently completed £3 million cold mill modernisation programme at our Falkirk factory, we are now installing new heat treatment capacity and finishing facilities to meet the soaring demand worldwide for aerospace materials. Our production of aircraft sheet will more than double in the near future, reinforcing our extensive involvement in the supply of aerospace materials. Already the principal producer of aircraft sheet in the UK, we have a special capability for supplying wide material, as well as being one of the major producers of aircraft tube, extrusion and bar.

British Aluminium's recent acquisition of High Duty Alloys Extrusions Ltd has added a further major resource for the supply of aerospace materials. Within our stockholder network, Baco Aluminium Supply Company Ltd and Baco Aluminium (Ravensbourne) Ltd specialise in the supply of released materials. In addition, Magnesium Elektron Ltd, a BA company, is amongst the world leaders in magnesium alloy technology for the aerospace industry. In cars and commercial vehicles, building products and packaging we have a similar story to tell. Whatever the industry, British Aluminium's commitment to advanced technology and growth will make us part of your future.



The British Aluminium Company Ltd
 7 Baker Street, London, W1M 1AB.

British Aluminium is flying high.



ALUMINIUM IV

Recycling aided by shortage

"Look Deena, I know our cousins across the Atlantic pronounce aluminium as aluminium, but in this country we traditionally do things the hard way. Keep saying to yourself aluminium, a metal which Gerald Metals supply world-wide"



The one name for all metals... Gerald Metals

To find the range of metals that Gerald Metals specialise in, you could make a list of practically all the world's industrially important metals. Then add efficiency, courtesy and international resources. Ring Dealing Members of the London Metal Exchange. Gerald Metals Ltd, Europe House, World Trade Centre, St. Katharine by the Tower, London E1 9AA. Tel: 01-431 0681. Telex: 894377. Cables: Geraldmet London. Gerald Metals S.A. Avenue de Cour 135, Lausanne 1007, Switzerland. Tel: (02) 271201. Telex: 25021 (GNET CH). Cables: Geraldmet Lausanne. Member of the Gerald Metals Group New York, London, Lausanne, Mexico, Tokyo, Rio de Janeiro

THE POTENTIAL for recycling aluminium has been highlighted this year by the severe shortage, and consequent high price of scrap. Between February and July, since when demand has been cut by the four and then three-day week, highest purity scrap was fetching up to £800 a ton. There were some occasions when the price overtook that of virgin aluminium and as a consequence refined alloy was selling at a premium over new alloy.

Judged solely on this kind of price differential, the justification for recycling looks pretty easy to argue and the need for greater efforts to be made in scrap recovery appears overwhelming. It is when the energy balance is struck between the cost of virgin metal and delivery of reclaimed scrap to the refineries that the justification weakens considerably. Nevertheless, the reasons for pressing ahead with a recovery programme are undeniable and growing. The problem is to prove it economically viable.

A number of schemes are being developed to provide the necessary evidence in a typically pragmatic way. Individual companies and one or two local authorities are involved at the centre while the government stands on the sidelines and

cheers. What the organisers are looking at is the big difference between the cost of producing virgin aluminium from bauxite and refining scrap at about 5 per cent of the cost. And also, of course, at the growing mounds of scrap currently going to waste. Nearly 250,000 tonnes of recycled material is used in the annual output of 700,000 tonnes-plus of aluminium products. It could be more if it was worth while going into the reclamation business on a national scale and would possibly help to reduce dependence on imported scrap.

Most of the scrap for recycling comes from factories making aluminium products—from aero-planes and vehicle components to cigar cases and the pull rings on canned drinks. In general it is relatively clean and of known specification. It is the separation of household waste, old washing machines and fridges, food mixers, packaging, pots and pans and cans that creates the greatest problems in collection, cleaning, sorting and preparing for the secondary smelters.

Ideally, bottle tops, foil and all the other debris need to be sorted on one side when discarded. Otherwise the cost of separating it out at a later

stage is apt to become prohibitive when related to yields, which are not high for much of the home products.

The potential market for reclamation is being tackled in a number of ways, one or two of which draw on American experience, where collection, especially of cans, has been going on for much longer and has become part of the accepted scene of things in many cities. With a productive capacity of around 6,000bn cans annually, the average American uses 136 cans. This compares with a meagre UK figure of about ten. Unless, therefore, the reclamation scheme is well sited and carefully nurtured it is difficult to make it an economic proposition.

Alcoa chose Edinburgh for its scheme, launched at the beginning of June, because it was thought that with the stronger preference for canned drinks north of the border, and a big brewery and can plant in the area, there could well be 5m cans to be collected—rather higher than the UK average. As an incentive the company is offering a halfpenny for every aluminium can handed in at one of the 14 depots in the city,

which include supermarkets, garages and street market sites. In the first three months 100,000 cans were collected and £500 paid out. It is this multiplication factor which then begins to make it seem worthwhile to exchange a can for a halfpenny for a favourite charity or whatever.

The halfpenny equates with the 20 cents a pound paid in the U.S. At this price it becomes feasible to spend 10 cents on collection, leaving a reasonable margin for processing preparatory to the waste being fed to the refineries. It should then be able to compete with virgin metal at 60 cents a pound. The economics of the operation in the U.S. enable a break-even point to be set at collection of about 25 per cent of the available metal. In some cities the recovery rate is up to 80 per cent, as it also is in some parts of Australia.

With such examples as a guide, and one or two instances of a successful operation in this country like one in Buckinghamshire last year, and the prospect of a growing consumption of aluminium cans, as well, of course, as the possibility of making an increasing contribution to energy saving, the circumstances were ripe for a deeper investigation of the possibilities.



The Alcoa "Can Man" hands out colouring leaflets to children in Edinburgh, where the company is paying 1p for every aluminium drinks can taken to the collection points

The Buckinghamshire scheme, incidentally, ran for three summer months and had the active and enthusiastic support of a local refinery, and this kind of link with the smelters is considered an important, if not essential, factor.

To get the Edinburgh scheme off the ground 100,000 little magnets were provided so that people could tell, by whether the magnet stuck to a can or not, if it was timplate or aluminium. About half the cans brought to the collection depots, where they are sorted, proved to be tin cans. "Some people, especially the youngsters, just cannot remember whether the magnet should stick to the tin or the aluminium can" said one of the helpers. Nevertheless, the 100,000 aluminium cans collected in the opening three months is considered encouraging, and the tin cans are passed on as a bonus to the city authorities.

Alcoa is also involved in a rather different project at Leeds, where the city is running a "Save Waste and Preserve" campaign, which is manned by local charitable organisations which are also engaged in collecting paper, rag and foil. The incentive here is raising money for charities and this aspect of the scheme probably will be tackled on to the Edinburgh scheme to give it a winter boost, even though because it is a more general scheme the Leeds operation is yielding only about a tenth of the cans that Edinburgh is.

An even bigger scheme for the collection of what is called aluminium consumer scrap—everything from foil to cookers—is under discussion between the scrap recycling committee of the Aluminium Federation and Oxfam. A suitable town and

Such schemes will be needed for a long time to come, but where new incinerators are being built, or suitable modern ones exist, a new British plant is available for extracting 80 per cent or more of metal from waste material before passing to the furnaces. This is the result of a joint venture by Metal Box, British Steel Corporation and Batchelor Robinson, which operates de-tinning plants. The company, Matcrail Recovery, is primarily interested in recovering steel cans for de-tinning and big-grade steel. Since it went into operation at Newcastle-on-Tyne three years ago a pilot plant has been recovering up to 85 per cent of available metal.

A similar plant is being built at Stoke-on-Trent and a promising prototype which is also designed to siphon off aluminium, should be in operation early next year at Batchelor Robinson's West Harlepool site. Where there is a throughput of about 100,000 tons of waste a year it becomes worthwhile, if it is feasible, to install a Matcrail Recovery plant and possibly to incorporate equipment for separating out aluminium, though it generally accounts for no more than 1-2 per cent of domestic waste compared with 7-8 per cent for ferrous waste.

While equipment to deal with aluminium may involve a marginal decision, the increasing use of the metal, especially in transport, should justify it over the longer term.

Can-making boosted by drinks industries

THE RISE and rise of the aluminium can, especially in the drinks industry is being given added momentum by two new can-making plants that will begin production in the next eight months, just when Alcoa's £40m new rolling mill at Swansea to provide the raw material is due to approach capacity working.

Until Alcoa's decision to build this plant in South Wales to supply the European market for rigid container sheet (RCS) can makers have felt the constraint of a lack of a UK producer. Since last July the new mill at the Waurilwydd works has been engaged on running up the highly sophisticated, and technically advanced equipment.

The mill is now running in well and next year should begin to hit the designed capacity of 50,000 to 60,000 tonnes of sheet a year for producing two-piece beer and beverage cans and ring-pull ends, the main products of its packaging markets.

The new facilities include a hot mill and a cold mill of a type never before used for aluminium can making. The latter has slowed the commissioning rate but with teething problems being overcome and increasing familiarisation and confidence it should be making a full contribution quite soon.

Alcoa will be recycling substantial tonnages of used aluminium containers being manufactured from the Swansea sheet, and its activities in this sector are dealt with more fully elsewhere. About 10,000 tonnes of aluminium are currently used for can making in the UK and this amount is expected to increase steadily.

The additional security of supplies that a home-based plant provides undoubtedly has been a factor in decisions about can making and has given a new twist to the trend towards aluminium for the beer, lager and soft drinks industries.

Aluminium was first used in making beverage cans in the UK a dozen years ago. The initial, almost tentative, step was to replace the timplate top of a drink can with an easy open end. This was a flat tab, like an oil can opener, soon to be superseded by a ring-pull version. Shortly afterwards this method began to appear on beer cans.

Wrexham plant next year is expected to be turning out cans at the rate of 500m-600m cans a year on two 500 x 2 minute lines. Early next year Metal Box will be commissioning a further two lines at Braunstone, near Leicester, so that these two companies alone will be adding significantly to the total of about 3,000m beverage cans a year made in the UK besides helping to increase aluminium's 15 per cent share of the beverage can market.

The existing mix of glass, timplate and aluminium containers for beverages reflects decisions made some years ago when the availability of materials, manufacturing techniques and prices were substantially different from what they are today. Nevertheless, the business is highly competitive, keenly related to end uses, and offers a number of alternatives.

There are, for instance, three-piece timplate cans, bi-metallic cans with aluminium ends and two-piece cans. Aluminium cans are made only in two-piece form and this method is emerging as the front runner—though that is not to say that in the future timplate cans will be eclipsed. What is clear is that cans are superseding bottles; their extra weight, and therefore extra cost of transport, is militating against them.

Perhaps the most potent factor prodding this change along is the sharp growth in lager consumption. Another market forecast prepared by Metal Box, agrees very much with the Brewers' Society's thinking.

The question of whether the UK or the Continent will follow the lead of the U.S. in preferring aluminium in the canned drinks industry is likely to remain unanswered for a long time. But it seems clear that aluminium will continue to make ground at the expense of competitors. If the American pattern is followed then there is indeed a bright future ahead for the aluminium can. The president of Reynolds Metals has said he confidently expects aluminium to end the year with "at least a 57.6 per cent share of the beverage can market compared with 23.2 per cent for three-piece steel and 19.2 per cent for two-piece steel."

The American scene is coloured by the efficient and widespread recovery programme of used cans, which in some States is becoming mandatory. Of the 6,000bn cans used yearly in the U.S. more than half are of aluminium and an effective scrap recovery programme can help very greatly in the economics of the business since 99 per cent of the cost of producing aluminium from bauxite can be saved.

The situation in this country is far different. Aluminium consumption currently is running at only 500m cans, and aluminium overall accounts only for 1.2 per cent of domestic waste compared with 7.3 per cent for ferrous metals. Nevertheless, if even only a relatively small proportion of the 10,000 tons of aluminium that are used in can-making can be recycled,

it would make a useful, if not considerable contribution to holding down production costs.

Scrap collection, however, can be costly, perhaps accounting for 20 per cent or more of the price of returning it in the condition required at the refineries. The practicality and the economics of a recovery programme are being investigated by Alcoa, based on the company's American experience. "But," the company says, "we shall be going into it very carefully because we recognise that the number of cans in Britain is so much smaller, even relatively, than in the U.S.—136 per head against only 10 here."

While aluminium for beverage cans is undoubtedly a growth area, the possibilities of its taking a bigger share of other sectors is not being ignored, though the prospects look so much slimmer. The processed food sector is one example, though the use of aluminium cans continues to be restricted by the unfavourable price com-

parison with timplate.

All the same, some progress is being made with canning fish. This form of packaging has been preferred in Europe for some time, largely because the metal is easy to form and provides easy opening ends. Its use, however, is likely to be confined through price to top of the market products. Aluminium aerofoils looks to be another possibility, but the UK has tended to adopt timplate because of the high manufacturing speeds it makes possible, and the use of aluminium is proportionately smaller than it is for other parts of Europe, indeed, some decline in aluminium aerofoils is regarded as likely.

So the most promising area for the future appears unquestionably to be in the drink packaging industry. If the British tradition of drinking beer in pubs really began to wane it would give a tremendous boost to aluminium.

Peter Cartwright

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Potent

The Brewers' Society estimates that between now and 1985 the total of packaged beer will rise by nearly 1m bulk barrels. During this time 2.5m bulk barrels less will be put into returnable bottles, while beer in disposable bottles will increase only very slightly. Most of the beer, an extra 2.3m bulk barrels the society believes, will go into cans.

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مكتبة التجميل

ALUMINIUM V

Motor industry slow to cash in

THE PROGRAMME by car manufacturers throughout the world to reduce vehicle weight as one way to cut fuel consumption offers obvious growth opportunities for the aluminium industry. But for UK suppliers the outlook is clouded by the continued decline of the domestic assembly industry as importers take an ever-larger share of the market.

Nowhere is the problem more apparent than in the castings sector where many companies have up to 30 per cent spare capacity. Efforts are being made to expand sales to Europe and investment has gone ahead to improve technology, quality and efficiency.

The latest crisis at BL, unwelcome as it might be, ironically brought some relief to the castings industry with the announcement that plans to open a new £24.7m aluminium foundry were being abandoned. Work on the 25-acre site at West Yorkshire Foundries, Leeds, was already underway and the building will be completed and sold or leased as an industrial unit.

Announcement of the project at the beginning of this year brought an angry response from the Light Metal Founders' Association, which warned that £100m in planned investment by the private sector might be put in jeopardy. The industry argued that there was already over-capacity, that demand would be insufficient to make the venture profitable and employment would be threatened at several companies.

The association made strong representations not only to Sir Michael Edwards, BL chairman, but also to the National Enterprise Board and the Department of Industry. BL maintained that, though the new plant would more than double its aluminium founding capacity, from 6,000 tonnes a year to 13,000 tonnes, the demand from the private sector would be sustained. The company would still buy in two-fifths of its block and cylinder requirements.

Efforts by BL to interest the private sector in taking part in the venture failed. Talks with both Birmid Qualcast and Associated Engineering made little progress.

Pressure against the aluminium project continued throughout the year. There were fears that the new capacity might force upon the light alloy sector the sort of rationalisation and shutdowns already being suffered by the ferrous foundries.

Nevertheless, news that BL was to abandon the new foundry came as something of a surprise to the industry. Mr. Peter McGrath, chairman and managing director of BL Components, insists that the main reason for the switch in policy was shortage of money. The overtime ban and two-day engineering industry strikes had cost BL £50m in lost profits. "We just cannot afford the foundry. What a tra-



There is a growing trend towards the use of aluminium in engine components. The problem is that high volume production is needed to take advantage of this

gedy for Britain."

Mr. McGrath argues that the decision on the foundry was not a response to the projected lower sales by BL Cars over the next couple of years. "We would still have gone ahead even with the reduced volumes." Any downturn in output was only short-term and would be recovered by 1983.

Mr. McGrath also takes an optimistic view—not shared by other leading figures—of market prospects for the aluminium castings sector. "There is stacks of business around provided the quality and the price is right."

In the absence of the new foundry, BL still plans to raise its aluminium castings capacity by 50 per cent to 9,000 tonnes. Details have yet to be worked out but it is hoped to spend about £5m to refurbish the existing aluminium facilities at West Yorkshire Foundries. One of the three ferrous foundries will also be converted to handle aluminium.

Mr. McGrath maintains that such a programme will provide the right quality of castings but concedes that BL will be unable to take full advantage of new technology, particularly in materials handling and automation. "We shall have some of the latest machines and go some considerable way to improving efficiency, but nowhere near taking out two thirds of the labour costs, which is what we could have achieved in a new foundry."

Mr. McGrath insists that BL will continue to buy in aluminium castings and that they will be British whenever possible. "But we shall be buying on commercial terms and the British supplies will have to be competitive on price and quality."

He points out that both Italy and France have modern aluminium plants and can be expected to compete for business. The UK industry has little

fear that imports of aluminium castings will have a serious impact, but the purchasing policy that appears to have been adopted by Ford for the engines to be produced at its new factory at Bridgend, Wales, indicates that the market is now international.

The engine is expected to go into production next year for the proposed Erica car is thought to have an aluminium cylinder head. Industry sources suggest that only about 30 per cent of the castings will be supplied from the UK, with a similar volume being made in Germany and 40 per cent in Italy.

Quality

British companies are intensifying efforts to sell in Europe, even with the price handicap caused by the recent strength of sterling. For example, Birmid Qualcast, one of the UK's leading aluminium foundries, reports some success on the Continent.

One of the things at issue is whether the U.S. automotive industry, which is making increasing use of aluminium, will buy castings from Europe. The feeling among many British executives is that the U.S. is looking mainly to buy the technology and machinery and that the necessary sophisticated foundry capacity will quickly be created in North America.

The use of aluminium by the U.S. industry has accelerated rapidly. Just a decade ago, an automobile contained about 50 lbs weight of aluminium on average. Today it is more than 110 lbs and this is expected to double in the next couple of years.

The obvious advantage of aluminium is the potential it offers for weight reduction and, therefore, energy conservation. On an equal volume basis, aluminium is only one-third as heavy as steel. The pressure to turn to the lighter metal has

been increased in the U.S. by the emission control standards and federal safety requirements; the effect of both measures has been to add extra equipment and strengthening components to vehicles.

Desirable as it might be to strive for lightness in a car, there is a cost: aluminium tends to be more expensive, needs different treatment from other metals and has different qualities. The decision whether and when to switch to an aluminium component depends upon complex questions not only of economy but of technology, design and manufacturing systems.

Among engine components that can already be made in aluminium are cylinder blocks and heads, inlet manifolds, pistons and heat exchangers. European companies have turned increasingly over the past two decades to aluminium cylinder heads and manifolds, and it is a trend being followed in the U.S.

Light alloys are also suitable for oil and water pumps, filters and other parts under the bonnet. Aluminium and its alloys are becoming more popular for use in suspension and braking systems, wheels, trim and bumpers.

Aluminium body panels offer weight advantages and can be pressed on conventional stamping equipment. But styling options are usually reduced because the light metal has a greater springback and tends to be less formable.

The world motor industry is all too aware of the opportunities presented by aluminium, and development work is proceeding apace. The regret of UK suppliers is that domestic assemblers are unlikely to achieve the production volumes necessary to take advantage of such trends.

Arthur Smith

Construction: fighting to keep its markets

ALUMINIUM BECAME a material of importance in building after the 1939-45 War. The techniques developed for the volume production of aircraft could be used to manufacture similar components for the building industry. Scarcity of wood and timber after the War, together with the scarcity of steel, contributed to the rapid increase in aluminium's use.

In the past year, the cost of aluminium products used in the building industry has risen by between 8 and 10 per cent. This is well within the range of increase experienced by other construction materials: prices of copper goods have risen by about 25 per cent during the same period (when they have been available—foreign copper pipe producers made a killing in late 1978—early 1979 when they profited by their ability to supply the British market at the time it was starved by strikes); and cast iron goods have also experienced rises of about a fifth.

When other building products are rising by such proportions aluminium's increases do not seem out of the ordinary. But are they sufficient to dissuade the speculative builder from incorporating aluminium products of the client from stipulating aluminium fittings in his designs?

Aluminium is a high-priced metal: the price per ton for cladding now stands at £1,195 after reaching a high point of roughly £1,300 per ton earlier this decade. In its two main uses in the building industry—roofing and cladding, in which it is used in sheets, and for pre-formed window and door frames—it is a substitute material for older, more conventional products that are also

cheaper: wood or steel for windows and doors; slate, tile or asbestos for roofs and cladding.

The choice of aluminium in the face of competition from traditional products depends on its superior ability to withstand weathering, its long, maintenance-free life, and its visual attractiveness for some purposes, together with its strength and lightness.

Aluminium cannot compete on the basis of price. Even on a non-price basis there will be resistance to using aluminium at some point when the additional cost of purchase initially outweighs the benefits to be gained from its superior characteristics.

Alternatives

This state of affairs will be reached much more quickly as the general cost of building increases. Builders anxious to keep the eventual price to the customer as low as possible will give up using aluminium in favour of the alternatives: aluminium will be "squeezed out" of contention as the price of using it rises, even if that rise is not large but just sufficient to keep it ahead of products in other materials.

Since 1973 the price of aluminium goods used in construction has risen by 84 per cent, according to figures compiled by the Department of Industry, while at the same time the products with which it competes as an alternative have increased by 89 per cent (other door and window frames), and 87 per cent (other roofing materials).

Of 38 standard materials used in general construction work whose price is monitored by the Government for the purposes of

helping contractors and clients to reach equitable settlements on work lasting a long time, only four others have equalled or exceeded the rate of increase of aluminium prices since 1973. These four—sand and gravel, vitreous china sanitaryware and hardware (both imported and homegrown)—are all materials which cannot easily be substituted. Even copper products do not approach the increase which aluminium has undergone.

The future for aluminium is less assured now than at any time since it became a common material in the building industry. Apart from increasing price competitiveness, both wood and steel have been developed to challenge aluminium in the areas of maintenance and longevity and the introduction of plastics as a building material in its own right for sheeting and other components also threaten to capture some of aluminium's market. It is obvious that, as a market leader, aluminium is vulnerable to developments in both old and new products.

Plastics and wood are much better than aluminium at retaining heat and inhibiting heat loss and reducing condensation. In an increasingly energy-conscious industry, even the traditional dominance of aluminium in the construction of patio doors is not ensured. In Germany, plastic window frames (either with or without timber reinforcement) account for 60 per cent of the market and in building Britain is generally a follower of fashions established in the U.S. and Europe.

Aluminium has had its greatest success in the sheet roofing market, where profiled

aluminium sheets are the rule rather than the exception. Lightness is also a supreme virtue for cladding where less weight imposes less strain on fastenings with consequent advantages in cost, speed of construction and length of life.

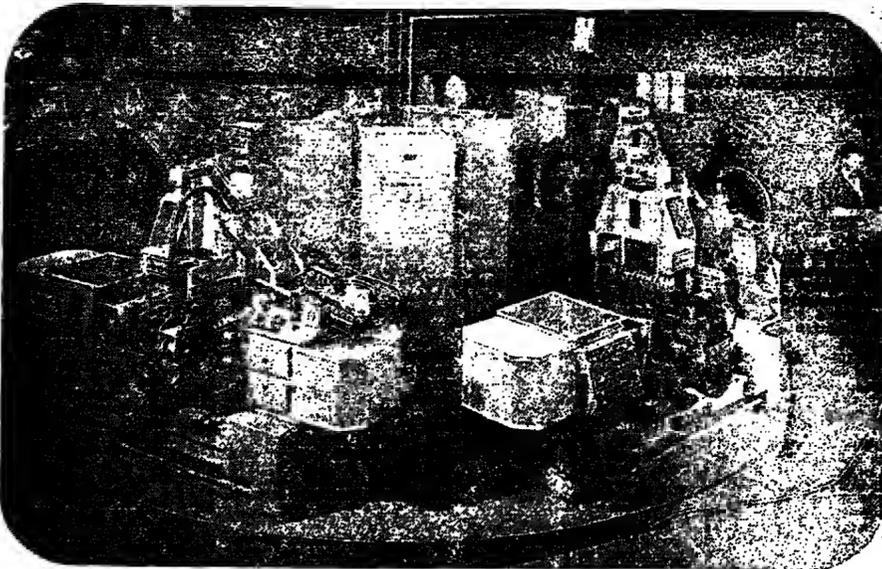
However, steel is now being produced with long-lasting, maintenance-free plastic coatings, brightly coloured, and aluminium producers have found this sufficiently threatening to produce aluminium in similar colours—meeting steel on its own ground rather than continuing to stress its inherent superiority in freedom from maintenance.

Similarly, in the pre-formed window frame market, high-quality plastic powder coatings have given steel greater longevity and as the products of the paint industry have improved so timber has maintained its position—and perhaps even enhanced it.

However, such developments have been made in the normal course of progress and should not be overstressed. Aluminium has also been developed in some ways, including the utilisation of its fastest growing rival, plastics.

A recent development in the industrial sector has been sandwich-type cladding—a profiled outer skin made of aluminium together with a foam plastics insulation layer, then a steel (or coated steel) inner layer. Such materials can meet stringent heat loss requirements, look good inside or out and have a long life.

Stephen Bloomfield
Business Correspondent,
Building magazine



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ALUMINIUM VI

Aerospace a demanding customer

THE WORLD'S aerospace and defence manufacturing industries have always been among the most important customers of the aluminium manufacturers, and today demand is increasing as a result not only of the re-equipment of the world's airlines, but also because of the continued heavy demand for military aircraft and armoured fighting vehicles throughout the world.

It has been estimated that the current re-equipment surge which began in the world's airlines in late 1977 and early 1978 is likely to add by the early 1980s about 3,500 new civil airliners, worth well over £40m, to the world's front-line jet fleet.

This re-equipment is based upon demand for wide-bodied long-range jets such as the Boeing 747 Jumbo, the Lockheed TriStar and the McDonnell Douglas DC-10, as well as for the smaller types such as the new European A-300 and A-310 Airbus, and the new Boeing 767 and 757 short-to-medium range jets, as well as continued heavy demand for short-range jets such as the Boeing 737, 727 and McDonnell Douglas.

Following these, around the mid-1980s, there is likely to be yet another re-equipment surge, designed to replace the large number of smaller, 100-130 seater jets which by then will be ageing—including some of the earlier DC-8s, Boeing 727s and 737s, and the One-Elevens, Tridents and other aircraft which by then will have been in service for upwards of 15 years.

New aircraft in this field have yet to emerge, but in Europe there are plans for what is called a "Joint European Transport" programme that may include two new types of aircraft, in the 100-180 seat and 130-160 seat categories, while in the U.S. Boeing may also emerge with new versions of the 737 and 727. Going even further

down the scale, into the area of aircraft of up to 100 seats, yet another demand seems likely to emerge, which companies such as British Aerospace with the BAe 146, and Fokker of Holland with the F-29, are already planning to meet.

The combined effect of all these ventures seems likely by the early 1980s to add upwards of 6,000 new civil aircraft to the world's fleets, collectively worth anything upwards of £100bn, including spares.

Volume

If to this demand is added the estimated 20,000 or so military aircraft of all kinds, from small, light trainers to super-sonic "air-superiority" aircraft, required during the 1980s, throughout the Western world, and the very substantial volume of new tanks and other armoured fighting and personnel vehicles that the world's armies will need through the same period, it can be seen that the aerospace and defence demands likely to be made on the aluminium industry for its products—primarily sheet and plate, but also including forgings and castings—will be massive.

The civil airframe industry in particular is a big user of high-technology plate, where demand is already growing at an unprecedented rate. In Western Europe alone, production of the current order book for the European Airbus of over 360 aircraft (both A-300s and A-310s), together with the further orders anticipated, will call for more aluminium plate over the next decade than is being produced in Europe at present.

British Aerospace is a big user of aluminium for both civil and military programmes, and its current expansion plans in civil aviation alone, with the 146 feeder-liner, and continued production of 748 turbo-prop

feeder-liners and the new Jetstream 31, in addition to its work on wings for the European Airbuses, will ensure that its demand for aluminium will double by the mid-1980s.

The aerospace equipment and components suppliers will also share in this expansion of demand, including such major companies as Dowty and Dunlop, while other airframe makers such as Short Brothers and Westland Aircraft all have new programmes (such as pods for RB-211 engines and the new WG-34 military and civil helicopters) that will increase their demand in the years immediately ahead.

Thus, the anticipated tonnage of aluminium plate and other products needed world-wide will tax the ability of the aluminium industry to supply it, and considerable further investment will be required. Highly specialised production is needed, and this is available only from a limited number of manufacturers with the necessary experience and resources. Both military aircraft and civil aircraft, moreover, are likely to continue to move towards high-quality plate, because of the higher technical performance required from modern aircraft, imposing higher standards on the materials used in them.

The world's aluminium manufacturers are now moving to meet this situation. In the UK, Alcan Aluminium (UK) recently announced that it is spending £10m at its subsidiary, Alcan Plate, at Kirt's Green, Birmingham, which specialises in the production of high-technology aluminium alloy plate for aerospace and defence, and alloy foils (the latter especially for the food-canning industries).

Alcan Plate enjoys a key position in the European market for high-technology, heat-treated plate. It has been a principal supplier to the aero-

space industry for over 50 years. It already provides plate for the Airbus and many other aircraft types, and recently has also been in the forefront of development of aluminium alloys for use in armoured vehicles.

The new investment at Alcan Plate includes the installation of a new horizontal heat-treatment furnace, together with new facilities for plate finishing, which will double the plant's present heat-treatment capacity. This part of the £10m investment programme is planned to be completed in early 1981.

Apart from its interest in supplying the aerospace industry Alcan Plate has also developed since 1960 a series of special alloys for use as light-weight armour in fighting vehicles, and its technology on heat-treated aluminium alloy armour plate is now recognised as the most advanced in the world. The company is currently involved in most of the Western European armoured vehicle development programmes in production or prototype stages.

In addition to the increasing use of aluminium plate, however, there is also a growing trend in the aerospace industry towards cast alloys in airframe construction, as a means of achieving better material utilisation as well as reducing costs.

Nowadays, both aluminium plate and aluminium forgings (known as semi-finished products) are used in airframe construction. These

materials consist of an aluminium alloy (94 to 95 per cent) with small quantities of magnesium, zinc and copper.

Detailed shaping of aircraft components from these materials can involve a great deal of machine-tool energy, and can result in a substantial waste of material. In many cases, 50 per cent and in some cases as much as 80 per cent of the semi-finished products (plates of forgings) is removed during subsequent machining of the airframe parts.

VFW-Fokker, the West German aircraft manufacturer, of Bremen, says that as a result of further development and introduction of aluminium cast alloy production processes, it is now examining methods of using more aluminium cast alloys in its own airframe manufacturing.

Variations

It points out that, hitherto in the aerospace industry aluminium cast alloys have been used only to a limited extent, because of the static and dynamic strength characteristics of cast alloys show big variations when compared with those of wrought alloys. Particularly large differences in strength characteristics have been noted, for example, in components obtained from different production batches or different foundries.

As a result of these variations in strength values the civil and military airworthiness authorities have tended to specify

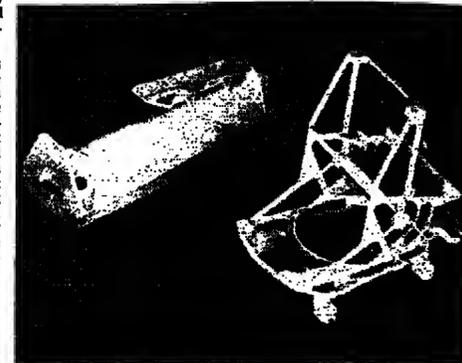
higher safety factors (called "casting factors") for components made from aluminium cast alloys, and this in turn has tended to result in increased structure weight of those components.

VFW-Fokker says that it is now conducting a programme to assess the static strength values, as well as fatigue strength and fracture properties, stress sensitivity, crack propagation behaviour and residual strength of aluminium cast alloys. It is planned to test various new aluminium cast alloys made with the improved casting methods, and to study their possible uses in airframe manufacture, as a means of saving both structure weight, and manufacturing costs.

In the U.S. Boeing, the biggest jet airliner builder in the world, is a big user of all kinds of aluminium products—sheet, plate, extrusions, castings, forgings, bars and tubes. Boeing, as a result of its own increased order books for aircraft, is using up to 25 per cent more aluminium than in 1977-78, and takes up to about 100m lbs of aluminium a year.

It finds that costs in the U.S. are going up, but rather more because of increased energy and labour costs in the producing companies, rather than because the producers themselves are taking advantage of the increased demand.

The major aluminium producers are also increasing their investment in manufacturing facilities to meet increased de-



Sophisticated components produced for the aircraft industry by Deritend Aluminium Castings include this structural member (left) and part of a head-up display

mand, but until some of these new facilities begin production it is likely that supplies will be tight, with some shortages perhaps emerging in specific items rather than across supplies of the metal as a whole.

Pressures on demand in the U.S. have resulted in some shortages, which in turn have led the U.S. airframe manufacturers in particular to try to

pick up some supplies in Western Europe. But they have not been very successful—the European manufacturers' own output is already largely bespoken for aerospace and other industries, and it is understood that only a very small amount of European-produced aluminium has been or is likely to be supplied to the U.S. in the near future.

Michael Donne

Wider scope by stockholders

A LEADING stockholder summed up the way in which the business is changing by saying that where it used to be a case of one bad year in four, it is now becoming only one good year in three. The collapse of one of its competitors and a general feel for what is happening in the industry seems to add weight to this kind of pronouncement, though the cause in all probability may have arisen in previous years.

For most stockholders, last year was the beginning of recovery after the trauma of the oil crisis. The promise of an improved fourth quarter was for many carried into 1979, helped by a large measure of price stability. But much depended on the bias of one's business and how quickly and accurately the production needs of customers could be met.

Cash-flow problems in the engineering industries particularly are now so common and the cost to a company of holding aluminium stocks so high that all customers have come to rely on the expertise of the stockholder.

Investment in slitting machinery, guillotines and other

plant and equipment has been heavy in order to build up true service centres offering a full range of facilities. The need to do this was sometimes learnt the hard way. When the mills were extending their activities it was thought expansion could be achieved by acquiring existing stockholders. This proved to be not quite the case. Some senior managers split away to set up on their own and it soon became clear that the majority of customers bought over the whole spectrum of the stockholding business and were not averse to buying imported materials if the margins were better.

This kind of competition has had a dramatic effect on the industry. Maintenance of profitability is more and more aligned to activities that a few years ago would be regarded as peripheral or of less consequence, like transport and the fine tuning of stock buying and replacement, especially at branch level.

One outcome of all this has been to distance their opposite numbers in Europe. They are thought to lag perhaps 12 to 15 years behind developments in the UK and that, somewhere along the line, should mean a clear competitive gain for customers battling in export markets.

One of the most recent sectors to be rationalised is transport, a growing market. There has been a 20 per cent increase on the vehicle side and about 20 per cent on wages, with every prospect of this spiral continuing. The cost for any stockholder in supplying relatively small parcels to outlying branches can be substantial and without action to redress the situation could become almost prohibitively expensive.

A number of companies in the same or allied fields are taking collaborative action. Mainly aluminium stockholders also stock other non-ferrous metals, as well as stainless steel very often. On the other hand, mainly copper and brass stockholders also deal in aluminium and sometimes stainless steel.

Economies

Worthwhile economies are showing up by delivering other customer demands, appears inescapable. Management cannot have too much day-to-day information, they say. Coupled with this is an increasing independence from mill operations in integrated

organisations, although technical links will not only remain but be strengthened. Parallel with this is the handing over of responsibility to branches for the running of the operation under the umbrella of group purchasing, a trend that not only accords with the wider political philosophy for industry, as a whole, but also with new computerisation of activities. Computers have, of course, been used in the industry for seven or eight years for more mundane activities associated with wages, financial and general stock information.

These and associated developments are likely to play a crucial part in the coming years in determining profitability. The mainstream philosophies in the industry have been: high volume with small profits and more specialised output at higher profits. Of the two, adherents to the latter—and there have been a number of recent converts—seem to be emerging rather stronger, though this can be only an impression.

Performance

However, what is clear in the existing climate of trading is that metal price rises can no longer be counted on to help prop up a poor performance through windfall profits. The world price of aluminium has remained more stable than for a considerable time and while it is expected to move closer to £880 a tonne, any advantage is unlikely, it is thought, to offset bigger increases in the pipeline in almost every other facet of the business.

While the pound remains strong aluminium looks a less expensive metal than it would otherwise be. The danger, as some experts see it, is that a combination of industrial weakness brought about by the three-day week and other labour troubles (some companies are not getting paid because of strikes among computer staffs) and a weakening pound would bring pressure on aluminium prices during 1980.

Various sectors of the market suggest that this year's recovery will be sustained indefinitely. "The general engineering and process plant business are dead," declared one stockholder. Though no one would quite endorse such an exaggeration, most would go along with it with not much qualification. "General engineering used to be 70 per cent of our business" said another major stockholder. "Now it is only 30 per cent. We have made up the difference by pushing out the frontiers of business in terms of the range of products and customers we now deal with. We shall continue to do so."

Another said his company was finishing this year with lower costs per tonne than at the end of 1978. "We aim to hold this if we can. We shall be taking the next chunk of cost out of the business with additional computerisation which should be completed by the end of next year or early in 1981. That should give us the same cost per tonne basis as we now have. This should give us better response, better information and better availability of products. Productivity is the name of the game." The brightest, though not quite the only, really active sector has been in the aerospace

industry. A specialist stockholder reports that his turnover for British Aerospace, Dowty, Lucas and other customers has increased by 90 per cent compared with last year. This is mainly, he says, because competitors have failed to have adequate stocks on hand.

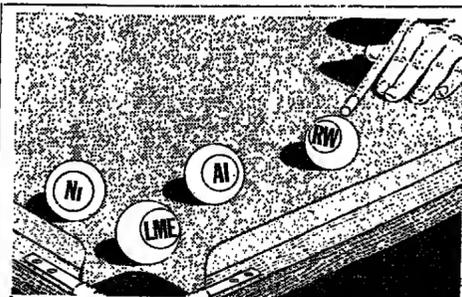
"The result has been a great shortage of material through too many people failing to get it in good time. They ordered only when their order arrived from the customer, with the result that lead times have gone out to 52-56 weeks." This is one of the very few companies that has got the kind of problems many others wish they had.

The impact of the three-day week on the stockholding indus-

try has still to be felt: so far only a few stockholders report being asked to postpone deliveries, though the number is likely to escalate in the coming weeks. In such an uneasy situation it is impossible to see the way ahead. It is not, however, a situation for short orders and shallow purses.

It is tempting to sketch a scenario in which the major battle will be between the big, mill-aligned stockholders and entrenched Continentals. But that would be to forget the vigour and initiative of the independents and small units, which have stood them in such good stead.

Peter Cartwright



The LME is not a new Ball Game

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COMMODITIES AND AGRICULTURE

U.S. maize, soya record forecast

By Our Commodities Staff
U.S. SOYA bean and maize crops already forecast to reach record levels this year...

Danes may defy British fish catch ban

BY HILARY BARNES IN COPENHAGEN

DANISH INDUSTRIAL fishermen will be on their way to the Norway coast...

pared with only 15,000 tonnes caught by the Danes...

Court so that fishing could be resumed immediately. He assumed that in this case the British would be sufficiently law-abiding to allow fishing to continue.

Copper hit by demand fall fears

By John Edwards

COPPER PRICES came crashing down on the London Metal Exchange as fears of an economic recession in the U.S. intensified...

AUSTRALIA

Inflation eats into wool profits

BY A CORRESPONDENT

HIGHER PRICES and a bigger production total boosted Australian wool earnings...

gave the Australian Wool Corporation a chance to cut the stockpile from 1m bales to a third of that by the end of May.

1989 to 12 per cent in 1977. Japan was busier than usual in the early stages of wool production...

China deal

KUALA LUMPUR — China has agreed to buy 21,000 tonnes of Malaysian refined palm oil worth about 28m ringgit over four months...

Cotton plea

BOMBAY — The East India Cotton Association has urged the Government to stop staple cotton exports because of uncertain crop prospects...

Government shelves seal slaughter plan

FINANCIAL TIMES REPORTER

THE GOVERNMENT has shelved a six-year programme to cull nearly 30,000 grey seals off the Scottish coast.

The winter's traditional cull of seals in the Orkneys and Western Isles will be limited to 2,000 pups...

Lord Mansfield Minister of State at the Scottish Office said in Edinburgh yesterday...

Lower world sugar crop predicted

BY OUR COMMODITIES STAFF

WORLD SUGAR production in the 1979-80 season is expected to fall to 88,044,000 tonnes, more than 3m tonnes below the 1978-79 total...

don merchants Woodhouse, Drake and Carey a week ago. But it did not prevent a late sell-off on the London futures market...

tioned at a high level. At yesterday's weekly tender the Common Market Commission granted rebates on 59,500 tonnes of white sugar compared with 60,000 tonnes a week ago.

Alcan rise not followed

By Our Commodities Staff

BRITISH ALUMINIUM confirmed yesterday that its UK price for primary ingots will remain at £750 a tonne...

Walker to raise hill farm subsidies

BY CHRISTOPHER PARKES

BRITISH HILL and upland farmers can look forward to an income boost in the New Year in the form of increased subsidies...

At that time market prices for lamb were high and the prospects for autumn sales of sheep looked promising.

potatoes and to help upland producers with extra payments on hill livestock.

BRITISH COMMODITY MARKETS

Table with columns for Copper, Tin, Zinc, Lead, and other metals, showing prices and changes.

RUBBER

The London physical market opened slightly easier with less interest through closing quietly steady.

PRICE CHANGES

Table showing price changes for various commodities like Tin, Zinc, Lead, etc.

AMERICAN MARKETS

Table showing American market prices for Gold, Silver, and other metals.

EUROPEAN MARKETS

Table showing European market prices for various commodities.

INSURANCE BASE RATES

Table showing insurance base rates for Property Growth and Vanhug Guaranteed.

COFFEE

Unchanged at the opening, levels moved 20 higher than the previous session...

SOYABEAN MEAL

The London market opened with a fall of 1.00 following confirmation of further crop improvement...

SUGAR

LONDON DAILY PRICE (raw sugar) £136.00 (135.50) a tonne of 100 lbs...

EUROPEAN MARKETS

Table showing European market prices for various commodities.

COMPANIES TRADING IN PHYSICAL COMMODITIES

A City Banking House which has been established over 100 years wishes to extend its commodity interests...

GRAINS

Table showing grain prices for Wheat, Barley, and other cereals.

WHEAT

Table showing wheat prices for various grades.

COTTON

LIVERPOOL — Spot and shipment sales continued to be brisk...

MEAT/VEGETABLES

SMITHFIELD — Poultry prices per pound: Beef, 48.00...

GOLD

Gold prices and market information.

SILVER

Silver prices and market information.

CAL's latest client bulletin

Direct from the Dealers, forecast the recent rise. If you want the latest views on gold or Kruggerands...

Wool

Wool prices and market information.

Wool

Wool prices and market information.

Wool

Wool prices and market information.

INDICES

Table showing various financial indices like Dow Jones, FTSE, etc.

LONDON STOCK EXCHANGE

Companies and Markets

American influences hit markets and Gilts fall £1½
Equities also weaker with index 10.9 down at 472.0

Account Dealing Dates
Option
*First Declared - Last Account Dealings from Dealings Day
Sep. 24 Oct. 4 Oct. 5 Oct. 15 Oct. 18 Oct. 19 Oct. 29 Oct. 22 Nov. 1 Nov. 2 Nov. 12
*Now Time Dealings may take place from 9.30 am two business days

The enhanced rates in American money markets following the reforms to counter the dollar's problems attracted foreign investors yesterday and Government securities to London sustained heavy losses as funds switched across the Atlantic. The current weakness on Wall Street also disturbed leading equities. Last night's renewed early ease in U.S. securities leaving London to close on a very dull note.

Longer-dated Gilts bore the brunt of the overseas selling which, accompanied by increased domestic offerings, lowered the partly paid long lap Exchequer 12 per cent A 1989-2002 14 points more to 27, after 26; other falls also ranged to 4 per cent. The active activity was considerable, too, among the shorts but at the end of the market staged a good rally before turning off again late and displaying losses extending to 15/18 in the inter-office trade. Once again, defensive switching helped the Variable coupon issues to improve further.

Dealers protectively marked down prices of leading shares at the opening but little selling ensued and, partly on bear-covering, prices soon started to rally. A combination of the better levels and the Henley Centre's warning about corporate profits tempted sellers, however, and although the liquidation began to fade in the afternoon, the early Wall Street indications set the seal on a depressing day.

Secondary stocks were not affected to the same degree as leading industrials which finally registered double-figure falls in some cases. The FT 30-share index, which had risen 20 points in the five trading sessions ending on Monday, dipped 10.9 for a two-day fall of nearly 15 points to 472.0. The FT Government Securities index sustained its largest single-day fall in four months at 70.70, down 0.87.

Institutional selling continued with activity in U.S. securities together with arbitrage offerings related to the conversion factor. American Gold shares took a toll on the investment currency premium. The former rate for sterling was also an influence and the premium closed 3 1/2 points down at 511 per cent. Yesterday's SE conversion factor was 0.9008 (0.8919).

Stores easier
Although selling was slight, leading Stores fell steadily throughout the session and closed with falls to 13. Burton lost that amount at 80p, with the A 6 off at 26p and the Warrants 4 down at 15p. Marks and Spencer also fell 1p to 101p, as did Mothercare, to 170p. Debenhams, interim results today, gave up 3 to a 1979 low of 75p. Empire relinquished 6 to 188p with interim profits better than estimated being offset by

NatWest down late
Although the undertone in home banks was described as firm, the prevailing dull trend eventually left a fall of 8 to 367p in NatWest. Midland eased 4 to 368p, but Lloyds held at 320p and Barclays hardened a couple of pence to 463p. Among dull Discounts, Clive shed 5 to 98p on the bearish statement that accompanied the interim dividend announcement. Overseas issues encountered late selling with Hongkong and Shanghai falling 9 to 147p and Bank of New South Wales shedding 6 to 168p.

Insurances sometimes reduced moderate falls in the late trade but Sun Alliance still finished 12 cheaper at 390p, after 342p, and Legal and General ended 5 off at 170p, after 169p. Brokers Alexander Howden relinquished 7 to 92p on profit-taking.

Marked easier at the outset, Breweries and associated issues met fresh selling during the afternoon which left the leaders a few pence off. Bass dipped 5 to 299p, while Scottish and Newcastle gave up 3 to 69p. Allied shed 3 to 97p while Distillers shed 6 at 327p. In regional issues, Greenall Whitely eased 4 to 165p, but Davenport rose that amount to 140p following further buying from the Midlands. Matthew Clark fell 4 to 156p awaiting news from the annual meeting, and Sandeman retreated 6 to 77p in front of Friday's interim results.

and closing quotations were generally the lowest of the day. John Brown fell 4 to 72 1/2p, while GKN, 268p, Hawker, 180p, and Tubes, 310p, all recorded losses of around 6. Following the previous day's late reaction of 13 on the poor results, Stobart and Pitt opened lower at 135p, but rallied to close 8 higher on balance at 148p. The sharp fall in the half-yearly figures prompted a fall of 6 to 76p in Amalgamated Power, but Ash and Lacy improved that amount to 168p in response to the interim figures and dividend forecast. Others to make headway following trading statements included R. Cartwright, 94p, and Lake and Elliot, 56p, up 2 and 3 respectively. By way of contrast, Alcan Aluminium, a good market of later, reacted 7 to 123p, while Whesoco, 152p, and Simon Engineering, 266p, gave up 4 apiece.



Most Foods encountered late selling. Northern came under pressure and fell 11 to 125p, while Fitch Lovell shed 5 to 77p. Consideration of the half-yearly results by Associated speculative favourites Robertson, 157p, Arava, 123p, and Associated Fisheries, 56p, all gave ground on profit-taking and ended with falls of around 8. Sodeo, however, held at 46p despite the strong possibility of Dalgety having acquired further shares in the company yesterday.

Consideration of the proposed casino live-off left Ladbrokes 8 off at 184p. Trusthouse Forte reacted 8 to 155p and Grand Metropolitan shed 5 to 155p. Epicure, however, armed 11 to 181p, after 18p, in response to the excellent results.

Christies int. fall
Leading miscellaneous Industrial leaders were marked down at the start and, despite rallying at one stage, the majority closed lower. Unilever fell 18 to 530p and Metal Box 8 to 280p, while losses of around 5 were marked against Reed International, 151p, Rowater, 179p, and Boots, 188p. Elsewhere Christies International weakened 18 to 753p on a disappointing result, while half-yearly results, while Sobtey's closed 7 cheaper at 388p in sympathy. IC Gas, a strong market recently on the company's North Sea interests, reacted 23 to 609p, while Office and Electronic, a recent speculative favourite, fell 11 to 220p. Scattered offerings and lack of support left Wilkinson Match 9 lower at 160p. Still reflecting the sharp fall in interim profits, Lesney lost 3 further to 40p. BTR, 336p, and Hanson Trust, 146p, fell 3 and 7 respectively.

Further profit-taking in Newspapers left Associated 13 off at 260p, while Daily Mail A fell a similar amount to 463p. News International eased 7 more to 148p following Tuesday's interim figures, while International Thomson, still unsettled by events at The Times, lost 10 to 390p. BPM, on the other hand, added 2 to 98p following the late announcement of the annual results. Advertising issues reacted to reports that the ITV dispute could continue until after Christmas with Saatchi and Saatchi reacting 8 to 130p. Cradley Printing provided a rare good feature, spurring 7 to 43p on the annual results and the 5-for-2 scrip issue proposal.

Selling in the Property sector gained momentum in the late dealing. Land Securities and MEPC both finished 4 cheaper at 313p and 25p respectively. Percy Bilton, 20p, and Fairview Estates, 137p, shed 7 apiece while M. P. Kent fell 4 to 98p, the last-named following disappointing annual results. Several speculative support pending the bid terms from Eagle Star and added 5 to 570p.

Setback in oils
A combination of profit-taking and lack of fresh support made for marked weakness in the Oil share market after the recent gains. British Petroleum, 345p, and Shell, 360p, weakened 14 and 16 respectively in the leaders, while among the more speculative issues Stebens (UK) dipped 20 to 274p and Clyde fell a similar amount to 258p. Lasso lost 17 to 273p, while Oil Exploration reacted 14 to 474p, the last-mentioned awaiting news of the bid approach.

Among Textiles, William Pickles added 3 1/2 to 191p following favourable Press comment, but recently firm Sirdar gave up 4 at 126p.

Gold seesaw
Another day of intense activity and wild movements in the bullion market led to erratic trading in South African Golds. Prices were marked up sharply at the outset as the bullion price soared through 540 to touch 542. However, with the price easing back to 540p before rising afresh to close 20.50 higher at 542.1 an ounce, the share market came under fairly heavy selling pressure in the early afternoon before steadying and then dipping again in the late after-hours trading. The Gold Mines index rose

FINANCIAL TIMES STOCK INDICES

	Oct. 10	Oct. 9	Oct. 8	Oct. 7	Oct. 6	1st year ago
Government Secs.	70.70	71.57	72.01	72.51	72.98	69.68
Fixed Interest	71.56	72.35	72.72	73.26	73.95	71.74
Industrial	472.0	482.9	486.6	480.4	481.4	404.2
Gold Mines	287.1	286.3	281.5	282.0	281.4	168.4
Gold Mines (Ex-5pm)	215.0	210.0	200.5	201.2	200.7	121.2
Ord. Div. Yield	7.09	6.93	6.78	6.61	6.51	6.35
Earnings, Ytd. 2 (thru)	17.00	16.88	16.88	17.15	17.12	14.85
P/E Ratio (m. 12m)	7.16	7.35	7.36	7.11	7.12	6.92
Total bargains	19,190	21,208	16,832	21,108	20,760	12,500
Equity turnover (m)	132.90	102.34	108.92	116.04	134.90	66.31
Equity bargains total	17,899	14,877	17,304	17,019	16,758	15,867

HIGHS AND LOWS

	High	Low	High	Low
Govt. Secs.	76.51	64.64	137.4	43.18
Fixed Int.	(4.7)	(6.3)	(0.1/30)	(51/75)
Ind. Ord.	(65.8)	(18.2)	(22/11/47)	(8/1/76)
Gold Mines	(65.8)	(4.6)	(558.8)	(4.6)
Gold Mines (Ex-5pm)	(26.1)	(12.7)	(45/78)	(26/26)

ACTIVE STOCKS

Stock	Denomina- tion	Closing price (p)	Change on day	1979 high	1979 low
Cons. Gold Fields	25p	14	+13	290	178
Shell Transport...	25p	13	-16	402	278
ICI	10	361	-9	415	314
British Petroleum	25p	345	-1	414	284
Shell	25p	360	-10	360	148
BP	10	348	-14	384	220
European Ferries	25p	7	+1	183	111
GEC	25p	7	+3	456	311
Glaxo	50p	7	+5	600	423
Pilkington	10	7	+7	388	275
Trusthouse	25p	7	+5	188	127
Allied Breweries	25p	6	+7	102	80
P. & O. Defd.	10	6	+1	115	71
RTZ	25p	6	-6	362	226

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	4	81	-
Corpor., Dom. and Foreign Bonds	2	43	79
Industrials	120	538	152
Financial and Prop.	79	375	177
Plantations	2	9	77
Mines	51	48	40
Others	10	38	40
Totals	213	1,151	1,067

LONDON TRADED OPTIONS

Option	Exerc. price	Closing price	Vol.	Closing offer	Vol.	Closing offer	Vol.	Equity close
BP	275	72	20	82	7	74	582p	
Shell	300	54	4	68	1	68	360p	
ICI	325	39	1	49	1	40	10	
BP	375	3	3	18	2	20	10	
Comp. Union	140	6	1	15	4	22	145p	
Cons. Gold	240	44	8	45	10	54	285p	
Cons. Gold	260	24	8	28	68	30	13	
CEC	380	28	3	49	1	63	385p	
CEC	390	5	1	30	1	46		
Grand Met.	150	12	25	27	50	1	150p	
Grand Met.	150	63	10	14	8	19	56p	
ICI	360	6	14	25	9	33	3	
ICI	390	5	10	12	17	1		
ICI	420	10	10	5	1			
Land Secs.	280	35	1	48	20	69	314p	
Land Secs.	300	15	20	24	2	27		
Land Secs.	320	1	1	1	2			
Marks & Sp.	90	12	50	1	1	101p		
Marks & Sp.	110	1	2	4 1/2	10			
Shell	350	14	7	40	12	86p		
Shell	375	6	7	26	12	4		
Shell	380	1	1	1	30	4		
Shell	400	1	15	276				
Totals			1,430		60			

LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since October 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

	1979	1978
Gold Mines F.T.	+67.00	
Oil	+44.42	
Food Retailing	+43.94	
Property	+43.84	
Mining Finance	+43.28	
Electronics, Radio, TV	+34.33	
Merchant Banks	+32.60	
Breweries	+28.48	
Stores	+26.54	
Insurance (Life)	+26.03	
Entertainment and Gaming	+22.84	
Overseas Treasury	+22.54	
Newspapers and Publishing	+21.76	
Discount Houses	+21.62	
Financial Group	+20.70	
Building Materials	+19.23	
All-Share Index	+18.23	
30 Share Index	+18.13	
Consumer Goods (Non-durable) Group	+19.28	
Shipping	+18.33	
Consumer Goods (Durable) Group	+17.80	
Wines and Spirits	+17.33	
Hire Purchase	+14.70	
Industrial Group	+13.69	
Other Groups	+10.40	
Food Manufacturing	+10.29	
Investment Trusts	+10.22	
Chemicals	+9.07	
Contracting and Construction	+7.66	
Engineering Contractors	+7.22	
Capital Goods Group	+7.13	
Tobacco	+5.84	
Packaging and Paper	+5.24	
Metal and Metal Forming	+4.81	
Pharmaceutical Products	-1.74	
Office Equipment	-4.24	
Engineering Group	-4.24	
Motors and Distributors	-5.40	
Insurance Brokers	-6.70	
Mechanical Engineering	-7.22	
Textiles	-12.26	
Household Goods	-12.35	
Toys and Games	-26.56	
% Percentage changes based on Tuesday, October 9, 1979, indices.		

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information section yesterday attained new highs and lows in 1979.

NEW HIGHS (38)	NEW LOWS (25)
BRITISH FUNDS (11)	BRITISH FUNDS (11)
Antelope (2)	Antelope (2)
Arclife (1)	Arclife (1)
Chemicals (1)	Chemicals (1)
Crystalline (1)	Crystalline (1)
Electronics (1)	Electronics (1)
Food Retailing (1)	Food Retailing (1)
Food (1)	Food (1)
Gold Mines (1)	Gold Mines (1)
Industrial (1)	Industrial (1)
Insurance (1)	Insurance (1)
Life (1)	Life (1)
Mining (1)	Mining (1)
Motors (1)	Motors (1)
Overseas (1)	Overseas (1)
Property (1)	Property (1)
Shipping (1)	Shipping (1)
Stores (1)	Stores (1)
Textiles (1)	Textiles (1)
Wine & Spirit (1)	Wine & Spirit (1)

OPTIONS

Stocks favoured for the call included Town and City, Ladbrokes and Warrants, ICI, Shell Transport, Rascal, Premier Oil, Aversy, Marshall Cavendish, Gulf Stream, James Neill, Decca A, Laurence Scott and Robertson Foods. Puts were done on Dutton-Forsyth and Boots, while donkeys were arranged in Rascal and Premier Oil.

RECENT ISSUES

EQUITIES

Issue Price	1978	1979	Stock
100	80	80	Barlow Halpin
100	100	100	Barlow Halpin
100	100	100	Barlow Halpin

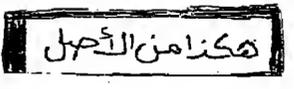
FIXED INTEREST STOCKS

Issue Price	1978	1979	Stock
100	100	100	Bank Launi
100	100	100	Bank Launi
100	100	100	Bank Launi

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Wed., Oct. 10, 1979	Tues. Oct. 9	Mon. Oct. 8	Fri. Oct. 5	Thurs. Oct. 4	Year ago (approx.)
1 CAPITAL GOODS (22)	243.34	-1.5	17.79	5.99	7.15	267.16
2 Building Materials (17)	239.63	-1.8	16.83	5.78	7.69	267.98
3 Contracting, Construction (28)	381.32	-3.1	22.68	6.28	5.04	383.73
4 Electricals (15)	624.04	-1.3	19.99	3.72	10.30	637.24
5 Engineering Contractors (12)	332.71	-1.4	21.53	7.28	6.17	338.18
6 Mechanical Engineering (7)	164.23	-1.6	20.56	7.19	5.73	165.22
7 Miscellaneous (10)	165.35	-2.1	20.03	9.38	6.11	163.83
8 CONSUMER GOODS	239.99	-1.7	15.40	4.90	8.06	240.17
11 (DURABLE) (52)	345.14	-1.9	11.74	3.61	10.92	351.83
12 L. Electronics, Radio, TV (15)	144.25	-1.0	20.80	7.32	16.58	145.34
13 Household Goods (14)	111.94	-1.4	23.55	7.61	10.33	111.86
14 Motors and Distributors (23)	239.91	-2.2	16.45	5.92	7.56	245.05
21 (NON-DURABLE) (17)						



AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Friends Provident Unit Tr. Mgrs., and others, including their managers and details.

National Unit Trust Managers

Table listing National Unit Trust Managers and their respective funds, including details like fund names and managers.

Ridgeway Management Ltd.

Table listing Ridgeway Management Ltd. funds and their details, including fund names and managers.

OFFSHORE & O'SEAS FUNDS

Table listing Offshore & Overseas Funds, including Alexander Fund, Keyser Ummann Ltd., and others, with details on their managers and fund types.

INSURANCE & PROPERTY FUNDS

Table listing Insurance & Property Funds, including Abbey Life Assurance Co. Ltd., London Life Assurance Co. Ltd., and others, with details on their products and managers.

Notes and disclaimers regarding the information provided in the unit trust listings.

Notes and disclaimers regarding the information provided in the insurance and property fund listings.

Notes and disclaimers regarding the information provided in the offshore and overseas fund listings.



FT SHARE INFORMATION SERVICE

FOOD GROCERIES—Cont.

FOREIGN BONDS & RAILS

Table with columns for Stock, Price, and other financial metrics for foreign bonds and rails.

AMERICANS

Table with columns for Stock, Price, and other financial metrics for American companies.

CANADIANS

Table with columns for Stock, Price, and other financial metrics for Canadian companies.

BANKS AND HIRE PURCHASE

Table with columns for Stock, Price, and other financial metrics for banks and hire purchase companies.

BANKS & HP—Continued

Table with columns for Stock, Price, and other financial metrics for banks and hire purchase companies (continued).

BEERS, WINES AND SPIRITS

Table with columns for Stock, Price, and other financial metrics for beer, wine, and spirit companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns for Stock, Price, and other financial metrics for building, timber, and road companies.

CHEMICALS, PLASTICS—Cont.

Table with columns for Stock, Price, and other financial metrics for chemical and plastic companies.

DRAPERY AND STORES

Table with columns for Stock, Price, and other financial metrics for drapery and store companies.

ELECTRICALS

Table with columns for Stock, Price, and other financial metrics for electrical companies.

ENGINEERING—Continued

Table with columns for Stock, Price, and other financial metrics for engineering companies.

FOOD, GROCERIES, ETC.

Table with columns for Stock, Price, and other financial metrics for food, grocery, and other companies.

ENGINEERING MACHINE TOOLS

Table with columns for Stock, Price, and other financial metrics for engineering machine tools companies.

Table with columns for Stock, Price, and other financial metrics for food, grocery, and other companies (continued).

HOTELS AND CATERERS

Table with columns for Stock, Price, and other financial metrics for hotels and caterers.

INDUSTRIALS (Miscel.)

Table with columns for Stock, Price, and other financial metrics for various industrial companies.

BRITISH FUNDS

Shorts (Lives up to Five Years)

Table with columns for Stock, Price, and other financial metrics for British funds (Shorts).

Five to Fifteen Years

Table with columns for Stock, Price, and other financial metrics for British funds (Five to Fifteen Years).

Over Fifteen Years

Table with columns for Stock, Price, and other financial metrics for British funds (Over Fifteen Years).

Updated

Table with columns for Stock, Price, and other financial metrics for updated British funds.

INTERNATIONAL BANK

Table with columns for Stock, Price, and other financial metrics for international banks.

CORPORATION LOANS

Table with columns for Stock, Price, and other financial metrics for corporation loans.

COMMONWEALTH & AFRICAN LOANS

Table with columns for Stock, Price, and other financial metrics for commonwealth and African loans.

LOANS Public Board and Ind.

Table with columns for Stock, Price, and other financial metrics for public board and industrial loans.

FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT

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CHEMICALS, PLASTICS

Table with columns for Stock, Price, and other financial metrics for chemical and plastic companies.

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Table with columns for Stock, Price, and other financial metrics for engineering machine tools companies.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and other financial metrics.

INSURANCE—Continued

Table of insurance companies such as British Overseas Airways, British Petroleum, and various insurance providers. Columns include stock name, price, and other financial metrics.

PROPERTY—Continued

Table of property-related stocks and companies. Columns include stock name, price, and other financial metrics.

INVESTMENT TRUSTS—Cont.

Table of investment trusts and funds. Columns include trust name, price, and other financial metrics.

FINANCE, LAND—Continued

Table of finance and land-related stocks and companies. Columns include stock name, price, and other financial metrics.

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MINES—Continued

Table of mining stocks including Australian and international companies. Columns include stock name, price, and other financial metrics.

TINS

Table of tin-related stocks and companies. Columns include stock name, price, and other financial metrics.

COPPER

Table of copper-related stocks and companies. Columns include stock name, price, and other financial metrics.

MISCELLANEOUS

Table of miscellaneous stocks and companies. Columns include stock name, price, and other financial metrics.

GOLDS EX-GRANDIS

Table of gold-related stocks and companies. Columns include stock name, price, and other financial metrics.

NOTES

Notes section providing detailed information and disclaimers regarding the data presented in the tables, including currency and market conditions.

REGIONAL MARKETS

Table of regional market data for various countries and regions. Columns include market name, price, and other financial metrics.

OPTIONS

Table of options data, specifically 3-month call rates. Columns include option name, price, and other financial metrics.

MOTORS, AIRCRAFT TRADES

Leisure

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

TRUSTS, FINANCE, LAND

TOBACCO

INSURANCE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

FINANCE, LAND, etc.

DIAMOND AND PLATINUM

CENTRAL AFRICAN

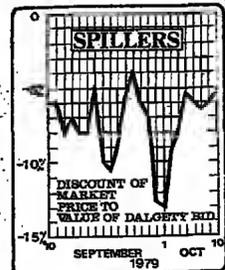
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THE LEX COLUMN

Catching the New York blues

Index fell 10.9 to 472.0



It took two days for the full seriousness of the American financial package to filter through to the UK stock market. By yesterday, however, the jobbers were determined to apply a rough-and-ready adjustment, even if nobody else seemed prepared to. The double-digit fall in the FT 30-Share Index was the worst single day's performance since the post-Budget shake-out in June, and the same was true in gilt-edged, where individual falls ranged to 1 1/2 points yesterday.

These falls have taken place in the absence of any especially heavy selling pressure, which reflects the overwhelmingly institutional nature of the market. It looks simply as though the managers of the funds have decided to hold on to their liquidity, which until this week was beginning to embarrass them, on the view that in the wake of the American developments time is now on their side and they can safely lower their target buying prices. But this is very different from forced liquidation of the kind which leads to the really vicious bear markets and is now a looming threat in New York.

The underlying performance of the equity market has continued to be quite impressive in the face of rising interest rates and worsening corporate sector trends. Currently the All-Share Index, for example, is still a sixth higher than its end-1978 level (though the 30-Share Index, dominated by manufacturing companies, is just about unchanged). The question now is where the long-term interest rate will become re-established. Yesterday's credit-aided yields at all maturities moved back up to well over 13 per cent and the Government Broker faces the problem that the price of his long top stock, Exchequer 12 per cent 1995/2002 "A", is a good 3 1/2 points below the level at which he last supplied it.

Gold Fields

In yesterday's sliding equity market the share price of Consolidated Gold Fields showed its counter-cyclical paces with a 13p climb to the year's peak of 283p in response to the preliminary results. Here, profits for 1978-1979 of £96.4m against £89.8m were no more than the market had been expecting, but the jump of nearly half in the net dividend payment, coupled with a commitment to above-average dividend growth in future, put some momentum behind the shares. And of course, the day's rise of around 30p on the gold bullion price did no harm at all.

In the first half of the year profits growth had been concentrated in the construction materials and the industrial businesses. But it was a very different picture in the second half when Amey Roadstone ran into a temporary spurt of losses during the winter, while the

upturn at Azcon in the U.S. appears to have been partly offset by losses in shipping. The biggest contribution to growth in January-June came from a £12.4m turnaround in the base metals mining division, where the closure costs of Wheal Jane had hit the comparable figures, and where much improved results were achieved at the Renison tin mine and at the Mount Goldsworthy iron ore mine.

Against this, the impact of the rising gold price appears to have been limited to 65m in the second half, reflecting increases in dividends received and in the share of profits of the associate Gold Fields of South Africa. The group points out that almost two-thirds of pre-interest profits were earned outside South Africa. Yet clearly the group's gold-based earnings will be extremely strong in the current year, while there should also be scope for growth at Amey Roadstone judging by its very strong final quarter.

If all goes well pre-tax profits could rise to £140m or more this year, promising good growth in the current yield of just over 7 per cent, covered well over twice.

Empire Stores

In the first half of the year in January 1980 Empire Stores has pushed both sales and trading profits ahead by 23 per cent; pre-tax profits, after a higher interest charge, are 18 per cent up on £3.5m. Some shading of gross margins has been offset at the net level as sales have grown faster than wage and distribution costs — sales volume seems to be up by slightly over 10 per cent with around half the gain reflecting an increase in the number of new agents.

Empire is notably less cautious than Freemans, which published its figures on Monday, about current trading. It reports that autumn and early Christmas business is going nicely — well up on last year — and feels the tax rebates will do no harm. Even if too much importance should be attached to the different attitudes of these two mail-order companies, Empire's remarks do suggest that retail sales are not altogether dormant.

The second-half figures will carry a higher interest burden, as the stock level will rise between now and Christmas. But Empire should make £93m, up from £81.1m last year, which puts the shares, down 6p yesterday at 188p, on a p/e of 13 1/2 fully taxed. The prospective yield is 4 per cent.

Fiat dismisses 'labour agitators'

BY PAUL BETTS IN ROME

FIAT, Italy's biggest private enterprise, which since 1975 has been one of the main targets of political violence, yesterday took the unprecedented step of dismissing 61 workers it claims have been responsible for repeated labour agitation and acts of aggression in the company's Turin plants.

In response, the trade unions immediately called a three-hour strike in all Fiat plants. They claim the company, which employs more than 300,000 people, should have justified with solid evidence its decision to dismiss the 61 workers.

Relations between Fiat and the unions have been particularly tense during the past six months. Continuing labour unrest at many of the Turin plants—including Mirafiori—has seriously affected production and at times provoked street violence and aggression

inside some plants. Fiat managers and staff have been increasingly exasperated and demoralised by continuing terrorist attacks.

In the last 10 days, one senior executive, Sig. Carlo Ghiglieno, was shot dead by Left-wing extremists, while another was knee-capped.

Since 1975, three Fiat executives have been killed by terrorists and 17 others victims of kidnappings or shootings. The cars of 58 employees have been damaged by extremists and Fiat plants have been the target of arson on 15 separate occasions.

The decision to dismiss the 61 workers is largely regarded as an emblematic gesture and the company's answer to the repeated labour provocations, intimidations and terrorist attacks.

Sig. Giovanni Agnelli, chairman, claim neither the government, political parties, nor official trade unions have been effective in attempting to prevent the increasing violence and labour agitation afflicting the Turin based conglomerate.

As Italy's biggest private concern, with an annual turnover of some L15,000bn, (£3.45bn) Fiat has traditionally faced difficult labour relations since it has tended to set the country's pattern of general wage and industrial negotiations.

This was the case earlier this year during the renewal of a series of major three-year national labour contracts involving some 10 million workers in both private and public sectors.

At the same time, the Fiat group has inevitably been identified as the main symbol of private enterprise in Italy and thus a prime target for Left-wing extremist activity.

As a result, Turin—a city under Left-wing administration but where all industrial and social activity is polarised around the Fiat group, has been plagued during the recent revival of political violence by perhaps more acts of terrorism than any other Italian city.

Flat management said the company could no longer be indifferent to the growing state of anarchy in some plants. Although the official trade unions have repeatedly condemned political violence, they have recently come under pressure from militant non-aligned union members who have steadily undermined the official union leadership.

Terrorist groups—like the Red Brigade and Frima Line—also appear to have increasingly infiltrated major industrial

groups in the Italian industrial north in much the same way they have infiltrated the country's university system. They have fed on the general discontent of students, the unemployed and workers concerned over their jobs in the current climate of growing economic uncertainty.

Turin, with a chronic housing problem and a particularly high cost of living, has clearly represented a major pasture for terrorist groups.

There seems to be evidence that small groups of extremists and agitators have been intimidating or provoking workers. Although these groups are generally regarded to be isolated minorities—as the low turnout of between 5-30 per cent for yesterday's Fiat strike suggests—they have nonetheless clearly had a major disruptive impact.

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NEB delays £100m assets sale

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE NATIONAL Enterprise Board has told the Government that it will not sell its assets in big companies such as ICL, Ferranti and Fairley until it has been given new operating regulations and financial targets by Sir Keith Joseph, Industry Secretary.

This means that the sale of assets worth £100m ordered by Sir Keith in July is unlikely to go ahead until the end of next month at the earliest, even though the Government will publish an Industry Bill on the NEB within a few weeks.

The delay may spark fresh protests at the Conservative Party conference in Blackpool, which debates the Government's industrial policy this afternoon.

Sir Keith Joseph has already come in for criticism for allowing various State intervention measures started by the last Government to remain and his decision to give the NEB a continuing responsibility for high technology businesses and small companies, as well as "lame ducks", has been attacked.

The Industry Bill, which is due to be approved by

Ministers soon, is to be published within a few days of Parliament resuming on October 22. It will lay down new powers of ministerial control over the NEB, restricting its entrepreneurial activities and requiring it gradually to sell off profitable assets in line with the Government's policy.

It will also reduce the top long-term borrowing limits from £4.5bn to about £3bn and will cancel powers the NEB has had, but has never used, to acquire compulsorily assets of private sector companies.

A few weeks later, while the Bill is passing through its Parliamentary Committee stage, the Government plans to publish fresh guidelines and financial targets.

These are regarded as crucial by Sir Leslie Murphy, NEB chairman, who has told Ministers that it would be wrong of his board to decide on asset sales until the terms—which are still being negotiated—have been finalised.

The position is further complicated because the NEB's

plans for the coming year cannot be fixed until the Government's public spending White Paper is published next month. This is expected to cut substantially on the NEB's budget as part of fresh spending cuts of £50m to £100m being assembled by the Industry Department. As a result, the NEB may have no more than £40m to spend on its high technology work and less than £10m on small companies compared with £100m this year on its activities outside BL and Rolls-Royce.

The future of the NEB's INMOS micro-chip venture, which needs Government authorisation for a fresh £25m, will affect these figures which will be further reduced in future when existing commitments have been met.

The guidelines will specify how the NEB must buy and sell holdings in the high technology field, stressing that it must maximise private sector financial involvement.

They are also expected to restrict the NEB's small companies work to the assisted areas of the country, partly based on

the board's regional offices in Liverpool and Newcastle. Existing financial targets of a 15 to 20 per cent rate of return on capital employed by 1980-81 (excluding the Board's BL and Rolls-Royce subsidiaries) will be modified, reflecting the NEB's reduction in profits following the Government's insistence that it sells some of its best assets.

A fresh target of perhaps 10 to 12 per cent by 1983 may be substituted for the present figures.

Sir Leslie has said that after all this has been settled and announced, he will be prepared to go ahead with the £100m assets sales which are believed to be based on ICL, Ferranti, Fairley, and Brown Boveri Kent.

Potential bidders have been approaching the Industry Department and the NEB asking about these companies. It has yet to be decided how much of each of the companies should be sold and Sir Keith will have to approve the NEB's plans before any sales go ahead.

Detachment of threat to company. Page 8

Bokassa inquiry demanded

BY DAVID WHITE-IN-PARIS

THE FRENCH Socialist Party yesterday renewed its demands for a full parliamentary enquiry into last month's military intervention in Central Africa.

Its action coincided with a political storm in Paris over past relations between President Valéry Giscard d'Estaing and M. Jean-Bedel Bokassa, the deposed Emperor.

The Socialist move came a week after the party had unsuccessfully sought action by the French Parliament. It argued yesterday that questions have been raised about the role that certain private interests may have played, linked particularly to some very high figures of state.

Allegations that diamonds worth Fr 1m (£110,000) were given by M. Bokassa to M. Giscard d'Estaing in 1973 received extensive coverage in the French press, including the reputable Le Monde, which devoted two pages to the affair.

In 1973, M. Giscard d'Estaing was Finance Minister and M. Bokassa was president of the Central African Republic. A presidential spokesman refused to comment on the allegations, and said that yesterday's Cabinet meeting dealt only with "serious business."

The satirical weekly Le Canard Enchaîné yesterday published what purports to be a facsimile of a document signed by the President Bokassa, ordering a present of diamonds totalling 30 carats to be sent to the French Finance Minister by way of a presidential secretary.

The controversy has an added dimension in the role played by French paratroopers and secret service agents, who are reported to have moved Emperor Bokassa's personal archives to the French Embassy immediately after the recent coup.

The authenticity of the published documents has so far not been contested. According to the newspaper M. Giscard d'Estaing, who is a keen hunter, was on a safari in the Central African Republic in April, 1973.

David Montagu resigns from Orion Bank chairmanship

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

MR. DAVID MONTAGU, one of the City's leading investment bankers, is resigning as chairman and chief executive of Orion Bank because of fundamental differences in philosophy with Orion's six shareholder banks about the future ownership of the consortium bank.

The shareholders are National Westminster Bank, Chase Manhattan, Credito Italiano, Mitsubishi Bank, Royal Bank of Canada and Westdeutsche Landesbank.

Mr. Montagu is thought to believe that Orion does not have a long-term successful future as a bank owned by a consortium of banks. He is known to favour one shareholder bank buying out the other members of the consortium.

One suggestion canvassed in particular was a merger between County Bank, the National Westminster Bank group merchant bank, and Orion. Another was a complete takeover by the Royal Bank of Canada.

Orion's shareholders did not favour a change. Three weeks ago they informed Orion of their decision to retain it in consortium ownership and to bring in a new chief executive.

All parties in the affair emphasise that there is no personal conflict. Mr. Montagu is leaving Orion November 2 "by mutual agreement."

Las night Mr. Montagu was praised for his achievements at Orion by senior executives of the shareholding bank. Mr. David Rockefeller, chairman of

Chase Manhattan, said that Orion had achieved "all that the shareholders had hoped" under Mr. Montagu's leadership. Mr. Robin Leigh-Pemberton, chairman of National Westminster, said Orion has developed into a leading Eurocurrency bank. "We take pride in the fact that the investment banking business under Mr. Montagu's guidance has put it into the top flight of such operations."

Mr. Montagu is to be replaced as chief executive by Mr. T. Jefferson Cunningham who was once an executive director of Orion. He was also area director—Northern Europe for Chase Manhattan 1974-77. The new chairman will be Lord Sandon, a deputy chairman of NatWest.

Mr. Geoff Armstrong, BL Cars' employee relations director, described the union demands as "totally unrealistic." Pay claims had to be considered solely on the company's ability to pay. Any deal would have to be self-financing, as BL did not have the money to pay.

It seems likely that, when the company makes its response to the union, it will insist that the only way to higher earnings will

BL Cars faces 30% claim

By Arthur Smith, Midlands Correspondent

UNION LEADERS at BL Cars last night launched a claim for a £24 per week increase for all 90,000 manual workers—a rise of 30 per cent.

They insisted that the increase, which would take a skilled man to £113 a week, should be index-linked. The wage rise is only part of a nine-point package calling for a shorter working week, more sick pay, and improved pensions.

While the unions were formulating their claim, the BL Board was meeting in London to consider plans to restore the company to profitability. Sir Michael Edwards, the BL chairman, wants to close factories and shed more than 25,000 jobs.

Mr. Geoff Armstrong, BL Cars' employee relations director, described the union demands as "totally unrealistic." Pay claims had to be considered solely on the company's ability to pay. Any deal would have to be self-financing, as BL did not have the money to pay.

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The TUC is to form a data bank into which unions can feed information on agreements which include cuts in working hours. This will be used by unions to press claims for shorter working.

he through the proposed self-financing incentive scheme. This would yield increases of £15 a week for a 20 per cent increase in efficiency. Such an improvement would mean, however, the loss of another 14,000 jobs.

Mr. Grenville Hawley, national automotive secretary for the Transport and General Workers' Union, claimed that wage demand was realistic in relation to other earnings in the motor industry. BL workers had accepted only a 5 per cent increase last year.

The BL workers are demanding the implementation of the 39-hour week, the central issue of the recent engineering dispute. From November this year, the aim would be a 35-hour week by 1982.

No statement was issued by the BL board last night after a lengthy meeting during which directors went through the details of Sir Michael's plan. The executive committee of the Confederation of Shipbuilding and Engineering Unions will meet today to consider what advice should be given to the stewards.

IBM Continued from Page 1

Co-lead managers Salomon Brothers and Merrill Lynch claimed to have sold about 80 per cent of the two-part issue. However, market observers put the figure somewhat lower than this, at 75 per cent.

The fact that the issue has still not been "freed up" or released for trading in the secondary market prompted speculation that the whole deal might be called off to spare underwriters the huge losses they seem certain to suffer on the notes and bonds they have had to take up.

The rumours highlighted the uncertainties which have gripped the credit markets since the Fed package. Bond prices continued their downward slide

yesterday, the third day in a row, though dealers said trading was more orderly.

However, long-term rates on Treasury and corporate securities reached new highs and three-month Treasury Bills broke through the 12 per cent level from 11.50 per cent the night before.

The market did find one landmark. In competitive bidding, the yield on a \$100m issue by Philadelphia Electric a single-A utility, was set at 12 1/2 per cent, up from 11 per cent last week on similar issues. "It's not much, but it's something to go by," said one market analyst, noting that this was the first big new issue since the package.

Treasury Continued from Page 1

istic of the Treasury. "Another cause may be that the increasing size of the public sector has starved the private sector of resources, both of labour and capital," says the report.

It is based on a Department of Industry working paper presented to the August meeting of the National Economic Development Council, chaired by Sir Geoffrey Howe, the Chancellor.

While the report began life outside the Treasury, the material was adapted by that department for publication in its own information circular, and approved by Mr. Nigel Lawson, Financial Secretary to the Treasury.

Its comparisons show that profits accounted for a smaller proportion of the value added to products by industry and transport in the UK than in Canada, the U.S., Japan and West Germany.

In the 1950s and 1960s profits took about 21 per cent in the UK, compared with 30 per cent in Canada, 25 per cent in the U.S., 34 per cent in Japan and 30 per cent in West Germany.

The 1973/74 oil crisis appears to have affected the UK more permanently than other countries. While profitability had nearly recovered in the U.S. and Canada by 1977, it was still down by about a quarter in the UK.

Mr. Grenville Hawley, national automotive secretary for the Transport and General Workers' Union, claimed that wage demand was realistic in relation to other earnings in the motor industry. BL workers had accepted only a 5 per cent increase last year.

The BL workers are demanding the implementation of the 39-hour week, the central issue of the recent engineering dispute. From November this year, the aim would be a 35-hour week by 1982.

No statement was issued by the BL board last night after a lengthy meeting during which directors went through the details of Sir Michael's plan. The executive committee of the Confederation of Shipbuilding and Engineering Unions will meet today to consider what advice should be given to the stewards.

Sainsbury mashes Britain's top potato

BY CHRISTOPHER PARKES

J. SAINSBURY, the food chain, has brought its corporate might to bear on the reputation of Pentland Crown, the most widely-grown potato variety in Britain.

The Potato Marketing Board and the National Farmers' Union were horrified yesterday at advertisements placed by Sainsbury in November editions of women's magazines which described the unhappy tuber as "not much good for anything."

Pentland Crown, the advertisement says, turn grey and crumbly when boiled and

make very poor chips. "Sainsbury's refuse to sell them," it adds.

Complaining of "knocking copy," the Potato Board said the variety was a perfectly good potato, as good as any other when grown correctly, and particularly popular among processors for dehydration and chip making.

NFU officials condemned the publicity as "mischievous, highly misleading and tendentious." Farmers find the variety attractive mainly because it produces heavy yields. Introduced in the early

1960s, it was slow to gain acceptance, and by 1963 only 1.2 per cent of the whole potato acreage was planted with Pentland Crown. Last year it led the popularity league among growers occupying 22.8 per cent of the national potato "patch."

Mr. Peter Davis, marketing director of Sainsbury's, was unrepentant. He insisted the aim of the advertisement was first to highlight the care his company took in selecting its produce. Weekly cooking tests showed that Pentland Crown did not come up to scratch. There is far too much stuff grown for the convenience of

the farmer rather than what the consumer wants," he said. "They can grow what they like as long as they don't inflict it on the consumer."

The advertisement was produced with the full knowledge of Mr. John Sainsbury, company chairman, who is an ardent campaigner for better quality food.

Mr. Peter Walker, Minister of Agriculture, recently appointed Mr. Sainsbury to a team of "lively minds" briefed to investigate the failings and potential of farm produce marketing in Britain.

Weather

UK TODAY CLOUDY with outbreaks of rain. Normal temperatures in west, warmer east and north.

London, N.E., E., S. Cent. England, Midlands. Bright intervals early. Mainly cloudy and rain later. Max. 17C (63F).

S.W., N.W. England, Wales, S.W. Scotland, Ulster. Cloudy. Outbreaks of rain. Max. 15C (59F).

N.E. Scotland, Orkney, E. S. Scotland. Bright periods. Mainly cloudy and rain later. Max. 14C (57F).

N.W. Scotland, Cent. Highlands. Cloudy. Outbreaks of rain. Max. 14C (57F).

Outlook: Continuing unsettled. Temperatures near normal.

WORLDWIDE

Table with columns for location, day, and temperature. Locations include Ajaccio, Algiers, Amman, Athens, Bahrain, Beirut, Belfast, Belgrade, Berlin, Biarritz, Birmingham, Bombay, Bordeaux, Brno, Bucharest, Budapest, Cardiff, Casablanca, Cape Town, Chicago, Cologne, Copenhagen, Dublin, Edinburgh, Florence, Frankfurt, Geneva, Gibraltar, Glasgow, Harare, Helsinki, Hong Kong, Innsbruck, Istanbul, Johannesburg, London, Lyons, Madrid, Manila, Mexico City, Milan, Moscow, Nairobi, New Delhi, New York, Ottawa, Paris, Rome, Santiago, Sao Paulo, Seoul, Singapore, Stockholm, Sydney, Taipei, Toronto, Tunis, Valparaiso, Vancouver, Vienna, Warsaw, Zurich.

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